

The Narragansett Electric Company

January 2003 Retail Rate Filing

Testimony and Schedules
of

Jeanne A. Lloyd

Michael J. Hager, and

Anne M. Rodrigues

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Submitted by:

Narragansett Electric

A National Grid Company



THE NARRAGANSETT ELECTRIC COMPANY

Re: Rate Changes for January 1, 2003

Witness: Jeanne A. Lloyd

DIRECT TESTIMONY

OF

Jeanne A. Lloyd

THE NARRAGANSETT ELECTRIC COMPANY

Re: Rate Changes for January 1, 2003

Witness: Jeanne A. Lloyd

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1 **I. Introduction and Qualifications**

2 Q. Please state your full name and business address.

3 A. Jeanne A. Lloyd, 55 Bearfoot Road, Northborough, Massachusetts 01532.

5 Q. Please state your position.

6 A. I am a Principal Financial Analyst in the Regulatory Services Department of National
7 Grid USA Service Company, Inc. The Regulatory Services Department provides rate
8 related support to The Narragansett Electric Company ("Narragansett" or the
9 "Company").

11 Q. Please describe your educational background and training.

12 A. In 1980, I graduated from Bradley University in Peoria, Illinois with a Bachelor's Degree
13 in English. In December 1982, I received a Master of Arts Degree in Economics from
14 Northern Illinois University in De Kalb, Illinois.

16 Q. Please describe your professional experience?

17 A. I was employed by EUA Service Corporation in December 1990 as an Analyst in the Rate
18 Department. I was promoted to Senior Rate Analyst on January 1, 1993. My
19 responsibilities included the study, analysis and design of the retail electric service rates,

1 rate riders and special contracts for the EUA retail companies. I assumed my present
2 position after the merger of New England Electric System and Eastern Utilities
3 Associates in April 2000. Prior to my employment at EUA, I was on the staff of the
4 Missouri Public Service Commission in Jefferson City, Missouri in the position of
5 research economist. My responsibilities included presenting both written and oral
6 testimony before the Missouri Commission in the areas of cost of service and rate design
7 for electric and natural gas rate proceedings.

8
9 Q. Have you previously testified before Rhode Island Public Utilities Commission
10 ("Commission")?

11 A. Yes.

12
13 **II. Purpose of Testimony**

14 Q. What is the purpose of the Company's filing?

15 A. The purpose of the Company's filing is to request Commission approval of the
16 Company's proposed base transition charge and transmission adjustment factor effective
17 January 1, 2003. The Company is also presenting the results of its annual Standard Offer
18 and Last Resort reconciliations. Additionally, the Company is proposing to retain the
19 \$20 million payment received in December 2001 relating to its Standard Offer obligation

1 to use as an offset to fuel index payments it has begun to incur and which have been
2 included in the Standard Offer reconciliation. Finally, the Company is proposing to use
3 the Last Resort Service over recovery to offset fuel index payments in the Standard Offer
4 reconciliation.

5
6 First, the Company is proposing to increase its non-bypassable transition charge
7 ("transition charge") from its current level of 0.874¢ per kWh to 0.944¢ per kWh for all
8 customers in its service territory for calendar year 2003. This increase is based upon New
9 England Power Company's ("NEP") annual contract termination charge ("CTC") for 2003
10 for Narragansett, the former Blackstone Valley Electric Company ("Blackstone Valley")
11 and the former Newport Electric Corporation ("Newport"). At the time of this filing, the
12 2003 CTC charges have not been finalized. The Company intends to update the
13 transition charges prior to the hearing in this proceeding once the final charges are
14 known. Under the Company's proposal, the transition charge in Narragansett's entire
15 service territory will be the same for all customers in 2003. The proposed transition
16 charge also reflects the application of a transition charge over recovery from 2002.

17
18 Second, the Company is proposing to increase its transmission adjustment factor from
19 0.063¢ per kWh to 0.107¢ per kWh. The increase is due primarily to the elimination of a

1 credit contained in the currently effective transmission adjustment factor that was
2 designed to refund a prior period over recovery.

3
4 Third, the Company is proposing to use the \$20 million lump sum payment received from
5 a Standard Offer supplier on December 1, 2001 to offset estimated fuel index payments to
6 Standard Offer suppliers that the Company expects to incur through December 2003.

7
8 Fourth, the Company is proposing to use the Last Resort Service over recovery incurred
9 for the period October 2001 through September 2002 to further offset fuel index
10 payments to Standard Offer suppliers.

11
12 The Company is requesting that the above proposed changes be approved for
13 consumption on and after January 1, 2003. The net effect of these proposed changes is a
14 bill increase for a typical residential customer using 500 kWhs per month of 1.1%.

15
16 Q. Has the Company summarized its proposed rate changes for January 1, 2003?

17 A. Exhibit JAL-1 presents a summary of the proposed rate changes.

1 **III. Base Transition Charge and Transition Charge Reconciliation**

2 Q. Please describe the Company's transition charge.

3 A. The transition charge is intended to recover from all retail delivery service customers the
4 CTC billed to the Company by NEP, including charges from the former Montaup Electric
5 Company ("Montaup"), which has been billing the Company CTC since Montaup was
6 merged into NEP. The transition charge was originally designed to change annually as
7 NEP and Montaup established their CTC for the upcoming calendar year. The
8 Company's Non-Bypassable Transition Charge Adjustment Provision (the "Provision"),
9 as established by the Third Amended Stipulation and Settlement approved by the
10 Commission in Docket No. 2930 as part of the merger of Narragansett, Blackstone Valley
11 and Newport ("Settlement"), specifies fixed transition charges for customers in the
12 Narragansett zone for each year of the Rate Freeze (2000 through 2004). The Provision
13 then allows for zonal charges to be determined by a specific formula for customers of
14 former Blackstone Valley and former Newport.

15
16 Q. Please provide more detail on the zonal transition charges.

17 A. Pursuant to the Settlement, the Company implemented zonal transition charges effective
18 on the rate consolidation date of May 1, 2000. Prior to the merger of Narragansett,
19 Blackstone Valley, and Newport, each of the three companies billed its customers a

different transition charge. The zonal charges were implemented on May 1, 2000 to ensure that all customers were paying the same transition charge after the merger that they were paying prior to the merger.

Q. Did the Settlement provide for the calculation of transition charges during the period of time subsequent to the merger?

A. Yes, it did. Section 15 of the Settlement describes how transition charges will be determined during the five-year period subsequent to the merger, also known as the Rate Freeze period. The transition charges for the Narragansett zone would be fixed in accordance with the following schedule:

Year	Fixed Transition Charge
2000	1.15¢ per kWh
2001	1.05¢ per kWh
2002	1.05¢ per kWh
2003	1.00¢ per kWh
2004	0.95¢ per kWh

The transition charge in the Blackstone Valley and Newport zones is to be determined by calculating the amount of the Company's total estimated CTC expenses during each year of the Rate Freeze period less the transition charge revenues estimated to be collected from customers in the Narragansett zone and dividing the remaining balance of CTC expenses by the estimated kWh deliveries in the Blackstone Valley and Newport zones.

1 The zonal transition charge calculated for Blackstone Valley and Newport is to be capped
2 at the FERC approved CTC rates already established for Montaup through 2004.
3 However, if this calculation results in a transition charge in the Blackstone Valley and
4 Newport zones that is less than the transition charge in the Narragansett zone, the
5 Settlement provides that the transition charges are equalized, and the resulting transition
6 charge will be calculated as the weighted average of the individual CTCs to be charged
7 to the Company by NEP and Montaup. In other words, all customers in the Company's
8 service territory would be charged one transition charge.

9
10 Q. Is Narragansett currently billing zonal charges to customers of former Blackstone Valley
11 and Newport?

12 A. No. In R.I.P.U.C. Docket No. 3402, filed November 23, 2001, and approved by the
13 Commission at the Open Meeting held on December 13, 2001, the application of the
14 transition charge formula resulted in an equalized transition charge of 0.874¢ per kWh for
15 all zones.

16
17 Q. What is the Company's proposal in this proceeding?

18 A. In accordance with the terms of the Settlement, the Company is proposing that all
19 customers of Narragansett pay an equalized transition charge during 2003.

1 Q. Has the Company prepared an analysis demonstrating that this is the appropriate
2 treatment for 2003?

3 A. Yes, it has. Exhibit JAL-2, page 1 illustrates what the zonal transition charges would be
4 under the formula. The individual CTCs are taken directly from the NEP CTC
5 Reconciliation Reports. This is reflected in Section I of Exhibit JAL-2, page 1. The
6 amounts in Section I are aggregated in Section II. From the total expected CTC costs to
7 be billed to the Company, approximately \$52.9 million is estimated to be collected from
8 customers in the Narragansett zone, leaving approximately \$16.5 million to be recovered
9 from customers in the Blackstone Valley and Newport zones. Line (7) of Exhibit JAL-2,
10 page 1, shows the transition charge for the Blackstone Valley and Newport zones as a
11 result of this calculation. As shown by this calculation, customers in the Blackstone
12 Valley and Newport zones would have had a transition charge of 0.850¢ per kWh while
13 customers in the Narragansett zone would have had a transition charge of 1.0¢ per kWh.
14 Since the transition charge for the Blackstone Valley and Newport zones is less than that
15 for the Narragansett zone, the terms of the Settlement require that the transition charges
16 be equalized. Therefore, the transition charge in all zones for 2003 is based on the
17 weighted average CTC rate from NEP and Montaup.

18
19 Q. Please describe the weighted average CTC calculation?

1 A. Exhibit JAL-2, page 1, presents this calculation. The total CTC amount determined in
2 Section I of Exhibit JAL-2, page 1, is divided by the total GWh sales to arrive at a
3 weighted average transition charge. This calculation results in a weighted average
4 transition charge of 0.959¢ per kWh for all of its retail delivery customers in the
5 Company's three zones, as shown in Column (4), Line (7) of Exhibit JAL-2, page 1.

6
7 Transition Charge Reconciliation

8 Q. Is the Company proposing any other adjustments to the transition charge for 2003?

9 A. Yes. The Company is proposing to apply a per kWh credit of 0.015¢ per kWh to the
10 weighted average transition charge. This credit is designed to refund an over recovery of
11 approximately \$1.1 million resulting from the 2002 transition charge reconciliation. The
12 development of this credit is found in Exhibit JAL-2, page 2, and is discussed in more
13 detail below.

14
15 Q. Please describe how the Company reconciles its transition charges.

16 A. The Company is required to reconcile transition charge revenues and CTC expense in
17 accordance with its Non-Bypassable Transition Adjustment Provision. The provision
18 provides for an annual reconciliation of the Company's total CTC expense against the
19 Company's total revenue from its Non-Bypassable Transition Charges. The excess or

1 deficiency is to be refunded to or collected from customers with interest accruing at the
2 rate in effect for customer deposits.

3
4 Q. Please describe the 2002 transition charge reconciliation.

5 A. The reconciliation of transition charge revenues and expenses is included as Exhibit JAL-
6 3. The Company compares its transition charge revenue to its CTC expense for the
7 period October 2001 through September 2002 and applies interest to the balance, whether
8 positive or negative, on a monthly basis. Page 1 shows a summary of the reconciliation
9 for the total company. Pages 2 through 4 show individual reconciliations for the former
10 Blackstone Valley, the former Newport, and Narragansett.

11
12 Q. What is the total Company transition charge reconciliation balance for year ending
13 September 30, 2002?

14 A. The balance for the period October 2001 through September 2002, shown in Exhibit JAL-
15 3, page 1, reflects an over recovery of approximately \$1.1 million. The beginning
16 balance of \$1.9 million shown in Exhibit JAL-3, page 1, column (a) reflects the transition
17 charge over recovery for the period January 2001 through September 2001 as filed in
18 R.I.P.U.C. Docket No. 3402 plus an adjustment for a prior period correction to revenues.
19 This \$1.9 million over recovery was used to reduce the 2002 transition charge by

1 applying a credit factor of 0.025¢ per kWh to the 2002 transition charge.

2
3 Q. How is the Company proposing to treat the over recovery for the period October 2001
4 through September 2002?

5 A. As discussed earlier, the Company is proposing to reduce the weighted average transition
6 charge of 0.959¢ per kWh, calculated on Exhibit JAL-2, page 1, by a credit factor of
7 0.015¢ per kWh, as calculated in Exhibit JAL-2, page 2. The transition charge
8 reconciliation over recovery on Line (2) on page 2 of Exhibit JAL-2 is divided by the
9 2003 forecasted kWh deliveries, resulting in a credit of 0.015¢ per kWh. This credit,
10 when subtracted from the weighted average transition charge of 0.959¢ per kWh,
11 produces a net transition charge of 0.944¢ per kWh, as shown on Line (5).

12
13 **IV. Transmission Rate**

14 Q. What is the Company's proposed Transmission Adjustment Factor?

15 A. The Company's proposed Transmission Adjustment Factor is 0.107¢ per kWh,
16 representing an increase of 0.044¢ per kWh from the current factor, as shown on Exhibit
17 JAL-4, Lines (9) through (11). The increase of 0.044¢ per kWh is comprised of the
18 following:

19 1) A decrease of 0.069¢ per kWh, representing a decrease in the Company's

2003 forecasted transmission expenses,

- 2) An increase of 0.123¢ per kWh, due to the elimination of the 2002 transmission reconciliation factor,
- 3) A decrease of 0.010¢ per kWh designed to refund an over recovery of approximately \$.733 million incurred for the period October 2001 through September 2002.

Each of these adjustments is discussed in more detail below.

Transmission Cost Forecast

Q. Has the Company prepared a forecast of transmission costs for 2003?

A. Yes, it has. It is included in the testimony and exhibits of Ms. Anne M. Rodrigues, who will explain the forecast, how it was derived, and the reasons for the decrease in transmission costs.

Q. How has the Company evaluated this forecast?

A. The Company has evaluated this forecast by comparing it on a cents per kWh basis to the average rate currently in effect. This comparison is performed in Exhibit JAL-4.

Q. Please describe the evaluation contained in Exhibit JAL-4.

1 A. The average transmission cost per kWh is calculated by dividing forecasted transmission
2 cost for 2003 of approximately \$38.6 million by the Company's forecast of kWh
3 deliveries during 2003. This results in a forecasted transmission cost per kWh of 0.514¢
4 per kWh for calendar year 2003, as shown on Line (3), a decrease of 0.069¢ per kWh
5 from the 2002 average transmission expense of 0.583¢ per kWh shown on Line (4).

6
7 Q. Does the Company's transmission forecast include a congestion cost estimate?

8 A. The Company's total estimated transmission expense of \$38.6 million for 2003 includes
9 congestion and Reliability Must Run ("RMR") costs for the months of January and
10 February. As explained in the testimony of Ms. Rodrigues, with the implementation of
11 the NEPOOL Standard Market Design ("SMD"), targeted for March 1, 2003, congestion
12 and RMR costs will no longer be included in transmission expenses.

13
14 Q. Why has the Company included only two months of congestion and RMR costs in the
15 transmission expense forecast for 2003?

16 A. The Company is including only two months of congestion and RMR costs in the 2003
17 transmission charge under the assumption that the ISO will implement SMD on schedule
18 effective March 1, 2003. The NEPOOL SMD is described in more detail in the testimony
19 of Mr. Hager. If there is any delay in the SMD implementation date, the Company will

1 reassess the status of its transmission reconciliation at that time and determine whether it
2 will file a request with the Commission to increase the transmission rate in order to avoid
3 a significant under recovery.

4
5 Transmission Service Reconciliation

6 Q. Please provide a status of the Company's current transmission service reconciliation.

7 A. The Company's transmission service reconciliation is in Exhibit JAL-5. This
8 reconciliation reflects actual transmission revenue and expenses for the period October
9 2001 through September 2002. This reconciliation is provided in accordance with the
10 Company's Transmission Adjustment Provision, which allows for the reconciliation,
11 along with interest on any balance, and the recovery or refund of any under collection or
12 over collection, respectively.

13
14 Q. What is the balance of the transmission reconciliation as of September 2002?

15 A. Exhibit JAL-5, page 1, shows that the balance of the transmission reconciliation as of
16 September 2002 is an over recovery of approximately \$6.8 million. Pursuant to its orders
17 in Dockets No. 3031 and No. 3402, the Commission has directed the Company to defer
18 recovery of certain disputed uplift costs pending the outcome of an ongoing dispute with
19 two of the Company's suppliers. As indicated in R.I.P.U.C. Docket No. 3402, filed in

1 November 2001, the Company had accumulated approximately \$5.2 million of ISO Tariff
2 charges for the years 1999, 2000, and year to date September 2001. Because the
3 Company had a significant over recovery of transmission expenses from 2001 that
4 exceeded \$5.2 million, the Company proposed not to refund the \$5.2 million at that time.

5 In the Order in Docket No. 3402, the Commission directed the Company to continue to
6 defer these charges but did not require that the \$5.2 million be refunded to customers,
7 indicating that, in the event that the Narragansett is unsuccessful in the arbitration, the
8 Company will have the opportunity to request Commission approval of the deferred
9 expenses without having to raise transmission rates to customers. For this reason, the
10 Company has reflected a beginning balance beginning balance of \$5.2 million in the base
11 transmission reconciliation, as shown on page 1 in column (a) for October 2001. This
12 amount represents an over recovery that was incurred for the period January 2001 through
13 September 2002 but not refunded to customers during 2002.

14
15 Q. What are the total amounts of ISO Tariff expenses that the Company has deferred to date?

16 A. Page 5 of Exhibit JAL-5 shows the ISO Tariff expenses that have been deferred for the
17 period January 1999 through September 2002 is approximately \$6.1 million. The
18 beginning balance of \$5.2 million includes \$1.3 million in expenses incurred for the
19 period January 1999 through December 1999, \$3.1 million for the period January 2000

1 through December 2000 and approximately \$840,000 for the period January 2001 through
2 September 2001. Column (b) of page 5 shows the monthly expenses incurred for the
3 current period October 2001 through September 2002.
4

5 Q. How is the Company proposing to treat the transmission service reconciliation over
6 recovery of \$6.8 million for the period ending September 2002?

7 A. The Company is proposing to refund approximately \$733,000 of the \$6.8 million over
8 recovery from the period October 2001 through September 2002. This amount represents
9 the over recovery incurred for the period less the \$6.1 million of deferred ISO Tariff
10 expense. Since there has been no resolution of the disputed uplift charges to date, the
11 Company has continued the deferral of these charges by excluding the expenses incurred
12 for the period October 2001 through September 2002 from the monthly transmission
13 expenses shown in Exhibit JAL-5, page 1, column (d). However, since the Company
14 continues to have a transmission over collection that exceeds the total deferred expenses
15 of \$6.1 million, this amount has been deducted for purposes of establishing the
16 transmission adjustment factor for 2003.
17

18 Q. What will happen with the deferred expenses after the arbitration is completed?

19 A. The Company will continue to accumulate interest on the retained funds until the

1 outcome of the arbitration is known. Should the Company not be successful in the
2 arbitration, these funds will be available to offset the total deferred expenses incurred
3 without having to increase transmission rates to customers. If the Company wins the
4 arbitration, this amount, with interest, will be credited back to customers.

5
6 Q. Why is the Company proposing to eliminate the 2002 credit factor, as shown on Exhibit
7 JAL-4, Line (6) effective January 1, 2003?

8 A. The credit factor of 0.123¢ per kWh shown on Line (6) of Exhibit JAL-4, was
9 implemented on January 1, 2002 and designed to refund an over recovery of
10 approximately \$8.7 million incurred during the period January 1, 2001 through
11 September 30, 2001. The credit factor was approved in R.I.P.U.C. Docket No. 3402 and
12 was intended to be a 12-month factor. Page 6 of Exhibit JAL-5 shows that as of October
13 31, 2002, the balance in the account is approximately \$1.6 million, not including interest.
14 The Company will continue to refund the balance of this account through December 2002
15 and any residual balance, positive or negative, will be credited or charged to the base
16 Transmission Reconciliation in the month of December 2002.

17
18 V. **Standard Offer Rate and Reconciliation**

19 Q. What is the Company's current Standard Offer charge?

1 A. Effective January 1, 2002, the Company implemented its current Standard Offer charge of
2 4.662¢ per kWh.

3
4 Q. Is the Company proposing to change the current Standard Offer rate?

5 A. No. The current Standard Offer rate was approved in Docket No. 3402, and was designed
6 to be a levelized three-year rate for the period January 1, 2002 through December 31,
7 2004. The retail rate was based on a weighted average of the base wholesale Standard
8 Offer prices in effect for the years 2002, 2003 and 2004. Specifically, the base
9 component of the Standard Offer under the Company's supply contracts is 4.2¢ per kWh
10 in 2002, 4.7¢ per kWh in 2003 and 5.1¢ per kWh in 2004.

11
12 Standard Offer Reconciliation

13 Q. Has the Company prepared a Standard Offer Reconciliation for the period October 2001
14 through September 2002?

15 A. Yes. The Company is required, on an annual basis, to reconcile its total cost of purchased
16 power for Standard Offer and Last Resort Service supply against its total purchased
17 power revenue pursuant to the Standard Offer Adjustment Provision, R.I.P.U.C. No.
18 1153. The Company's Standard Offer reconciliation for the period October 2001 through
19 September 2002 is shown in Exhibit JAL-6. The reconciliation compares the Company's

1 retail Standard Offer revenues to the Standard Offer expenses that Narragansett has
2 incurred pursuant to contracts with its wholesale suppliers of Standard Offer Service.
3

4 Q. Please describe the costs that Narragansett incurs under the Standard Offer supply
5 contracts.

6 A. The Standard Offer supply contracts contain two price components – a pre-set base price,
7 that increases each year, and a fuel index adjustment provision designed to provide
8 additional payments to Standard Offer suppliers in the event of substantial increases in
9 the market price of No. 6 residual fuel oil (1% sulphur) and/or natural gas. The fuel
10 index adjustment provision is described more fully in the testimony of Mr. Hager.
11

12 Q. Has the Company incurred fuel index payments pursuant to the Fuel Index Adjustment
13 Provision for the period October 2001 through September 2002?

14 A. Yes. As shown in column (d) of Exhibit JAL-6, page 1, the Company incurred
15 approximately \$25.2 million in fuel index payments during the reconciliation period,
16 consisting of \$24.5 million in fuel index payments for the period October 2001 through
17 March 2002 and approximately \$719,000 in August 2002 and September 2002.
18

1 Q. What is the balance in the Standard Offer reconciliation for the period October 2001
2 through September 2002?

3 A. Page 1 of this Exhibit JAL-6 shows that the balance in the account is an over recovery of
4 approximately \$29.3 million.
5

6 Q. Why is the over recovery balance in the Standard Offer Reconciliation so large?

7 A. The Company's wholesale costs for Standard Offer supply for the period January 2002
8 through December 2002 is incurred at a price of 4.2¢ per kWh compared to the retail rate
9 of 4.662¢ per kWh. This has produced a significant over recovery of Standard Offer
10 expense for the period ending September 2002 which was anticipated in the design of the
11 3-year Standard Offer rate. Conversely, during the final year of the levelized rate period,
12 calendar year 2004, a steep under recovery in the annual Standard Offer reconciliation
13 will result when the wholesale price rises to 5.1¢ per kWh. If no fuel payments were
14 incurred for the three-year period, over and under recoveries occurring in each year
15 would, in effect, offset one another and result in a reconciliation balance at December 31,
16 2004 of approximately \$0.
17

18 Q. Is the Company currently projecting the balance in the reconciliation account to be zero at
19 December 2004?

1 A. No, it is not. As explained above, the Company's Standard Offer supply contracts
2 contain a fuel index adjustment provision. When the Company filed its Standard Offer
3 rate proposal in November 2001, the natural gas and fuel oil price estimates available at
4 that time indicated that the Company would likely not incur any additional fuel index
5 payments pursuant to the Fuel Index Adjustment Provision of its wholesale Standard
6 Offer supply contract beyond March 2002. However, with the recent increase in fuel
7 prices, the Company began to make fuel index payments in the months of August and
8 September under the former EUA contracts. As explained in more detail in Mr. Hager's
9 testimony, this occurs because the fuel index payments under the EUA contracts are
10 based on a 6-month rolling average index, while the other contracts are based on a 12-
11 month rolling average index. Based upon the current forecast of fuel prices, the Company
12 now expects to incur significant fuel index payments for the period October 2002 through
13 December 2003 under all of its Standard Offer contracts.

14
15 Q. Has the Company prepared an estimate of expected costs under the Fuel Index
16 Adjustment Provision for the period October 2002 through December 2003?

17 A. Yes. The Company's Energy Supply Department has provided an estimate of expected
18 costs under the fuel index adjustment provision that is explained in detail in the testimony
19 of Mr. Hager.

1 Q. Has the Company prepared a projection of the Standard Offer reconciliation account
2 balance through December 31, 2004 based upon current estimated fuel prices?

3 A. Yes. As shown on Page 2, Section 2 of Exhibit JAL-7, the Company is projecting a total
4 under recovery of \$23.6 million through December 2004. Exhibit JAL-7, page 1 shows
5 that the projected balance of the Standard Offer reconciliation account for the period
6 October 1, 2002 through September 30, 2003 is an over recovery of approximately \$9.8
7 million. The projected balance for the period October 1, 2003 through September 30,
8 2004, shown on page 2, is an under recovery of approximately \$18.2 million. Thus, the
9 Company's present over recovery quickly reverses itself in the third year of the levelized
10 period.
11

12 Q. Is the Company proposing to increase the Standard Offer rate in this filing in order to
13 recover the estimated fuel index payments?

14 A. No, it is not. Although the levelized rate approved by the Commission in Docket No.
15 3402 permits the Company to increase the Standard Offer rate for changes in the fuel
16 index payments, the Company is proposing to utilize the \$20 million lump sum payment
17 received in December 2001 as a means of mitigating projected fuel index payments
18 incurred rather than requesting to increase the rate for Standard Offer Service at this time.
19

1 **VI. \$20 Million Lump Sum Supplier Payment**

2 Q. Please describe the \$20 million lump sum supplier payment?

3 A. In December 2001, Narragansett received a lump sum payment of \$20 million to facilitate
4 the transfer of the Standard Offer supply contract between Narragansett and NEP to
5 another supplier. In R.I.P.U.C. Docket No. 3402, filed November 23, 2001, the Company
6 proposed to retain that money in an interest bearing account through the winter period to
7 offset any fuel index payments that the Company might incur pursuant to the Fuel Index
8 Adjustment provision of its Standard Offer wholesale contracts. Although no fuel index
9 payments were expected beyond March 2002 based on the fuel price forecast included in
10 the November 23, 2001 filing, the Company nevertheless proposed to retain the funds in
11 the event of an unexpected spike in fuel prices during the winter months. At the hearing
12 held in that Docket on December 10, 2001, witnesses for both the Company and the
13 Division of Public Utilities and Carriers (“Division”) gave testimony regarding the
14 difficulty in forecasting fuel prices and the desirability of maintaining a “hedge” against
15 unexpected increases in fuel prices that could trigger fuel index payments to Standard
16 Offer suppliers. The Commission approved the Company’s request and, in the order in
17 Docket No. 3402, expressed its intention “in the near future to consider how the \$20
18 million SOS contract [credit] will be used to achieve the maximum benefit for Rhode
19 Island ratepayers”. (See Order at Page 38)

1 Q. How has the \$20 million been treated by the Company since receiving the funds in
2 December 2001?

3 A. A separate account for the lump sum payment has been established and is earning interest
4 at the customer deposits rate. Exhibit JAL-8 shows that the balance in this account,
5 including interest, as of December 31, 2002 will be approximately \$21.2 million.
6

7 Q. What is the Company's proposal for the disposition of the lump sum payment?

8 A. Based on the Company's analysis of the projected Standard Offer reconciliation through
9 December 2004, Narragansett believes that retaining the \$20 million lump sum payment
10 to offset expected fuel index payments is in the best interest of Rhode Island ratepayers.
11 The Company believes it would be appropriate to retain the funds in order to mitigate the
12 need to increase the Standard Offer rate during 2003 or 2004 to avoid the under recovery
13 in the Standard Offer reconciliation account expected to be incurred through December
14 2004. The Company proposes to retain the \$20 million, continue to accrue interest on it
15 for the benefit of customers, and only use it to offset any fuel index payments not
16 otherwise recovered through the effective Standard Offer rate by the end of December
17 2004.
18

19 Q. What if the fuel price estimates decline throughout 2003 and the expected fuel index

1 payments are less than currently projected?

2 A. The Company intends to keep the Commission and the Division apprised of the ongoing
3 status of the Standard Offer reconciliation balance and any changes in forecasted fuel
4 prices that could affect the projected balance through December 2004 through its
5 quarterly reconciliation report. This report will include the Standard Offer reconciliation
6 balance for the current period as well as the projected balance through 2004 using the
7 most recent projected fuel prices available at the time of each filing. To the extent that all
8 or part of the \$20 million is not needed to offset fuel index payments, the Company will
9 file an alternate proposal with the Commission seeking to credit the balance, with accrued
10 interest back to customers.

11
12 **VII. Last Resort Service Reconciliation**

13 Q. Has the Company prepared a Last Resort Service Reconciliation for the year ending
14 September 2002?

15 A. Yes. The Company's Last Resort Service Reconciliation for the period October 2001
16 through September 2002 is shown in Exhibit JAL-9. This exhibit shows that the balance
17 in the account is an over recovery of \$665,394.

18
19 Q. How is the Company proposing to treat the Last Resort over recovery?

1 A. The Company is proposing to transfer the over recovery in the Last Resort reconciliation
2 to the Standard Offer reconciliation account to offset potential fuel index payments.
3

4 Q. Please explain why using the Last Resort over recovery to offset expected Standard Offer
5 fuel expenses is reasonable and consistent with past Commission decisions.

6 A. The Company's Standard Offer Adjustment Provision gives the Commission the
7 authority to allocate the under or over recovery of Last Resort Service costs to all
8 customers or to any special class of customers, as the Commission deems appropriate.
9 In R.I.P.U.C. Docket No. 3138, the Commission approved a Standard Offer adjustment
10 factor effective October 1, 2000, applicable to all kWh deliveries, that was designed to
11 collect under recoveries in both the Standard Offer and Last Resort Service
12 reconciliations that had been incurred for the period January 2000 through September
13 2000.
14

15 In R.I.P.U.C. Docket No. 3402, the Commission approved the use of the Standard Offer
16 over recovery for the period January 2001 through September 2001 to offset the under
17 recovery of Last Resort expenses incurred for the same period. In that Docket, the
18 Company had argued that the under recovery was due to unusual circumstances that were
19 unlikely to reoccur in the future. Specifically, the under collection occurred at the tail end

1 of a transition period, during which the Last Resort Service rate was established at a rate
2 that was not designed to match cost.

3
4 The over recovery of \$665,394 incurred for the period October 2001 through September
5 2002 is due, in part, to out-of-period reconciling adjustments to wholesale expenses.

6 Many of the customers who were taking Last Resort Service in the months to which the
7 adjustments apply are now taking service from competitive suppliers. Due to the
8 relatively small number of customers currently taking Last Resort Service, if a 12-month
9 credit factor were designed to apply only to these customers, it would be in excess of 3.0¢
10 per kWh.

11
12 **VIII. Revised Tariff Cover Sheets**

13 Q. Has the Company prepared revised tariff cover sheets reflecting the proposed rates?

14 A. The Company's revised tariff cover sheets are included in Exhibit JAL-10.

15
16 **IX. Typical Bills**

17 Q. Has the Company provided a typical bill analysis to illustrate the impact of the proposed
18 rate changes?

19 A. Yes it has. The typical bill analysis for each rate class is in Exhibit JAL-11.

1 Q. What is the impact on a typical residential customer of the Company's proposed rate
2 changes?

3 A. Exhibit JAL-11, page 1, shows that for a 500 kWh residential customer the monthly bill
4 would increase by \$.60, from \$54.24 to \$54.84, or 1.1%.

5

6 **X. Conclusion**

7 Q. Does this conclude your testimony?

8 A. Yes it does.

THE NARRAGANSETT ELECTRIC COMPANY

Re: Rate Changes for January 1, 2003

Witness: Jeanne A. Lloyd

Exhibits

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Exhibit JAL-3	Transition Charge Reconciliation for the period October 2001 through September 2002
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Exhibit JAL-5	Transmission Reconciliation for the period October 2001 through September 2002
Exhibit JAL-6	Standard Offer Reconciliation for the period October 2001 through September 2002
Exhibit JAL-7	Projected Standard Offer Reconciliation for the period October 2001 through December 2004
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Exhibit JAL-9	Last Resort Service Reconciliation for the period October 2001 through September 2002
Exhibit JAL-10	Proposed Cover Sheets
Exhibit JAL-11	Typical Bill Analysis

THE NARRAGANSETT ELECTRIC COMPANY

Re: Rate Changes for January 1, 2003

Witness: Jeanne A. Lloyd

Exhibit JAL-1
Summary of Proposed Rate Changes

The Narragansett Electric Company
R.I.P.U.C. Docket No. ____
Exhibit JAL-1
Page 1 of 1

The Narragansett Electric Company
Summary of Proposed Rate Changes
Effective for All Rate Classes

		Current <u>Rate</u> (a)	Proposed Change in <u>Rate</u> (b)	Proposed <u>Rate</u> (c)
(1)	Standard Offer Rate	\$0.04662	\$0.00000	\$0.04662
(2)	Transition Charge	\$0.00874	\$0.00070	\$0.00944
(3)	Transmission Adjustment Factor	\$0.00063	\$0.00044	\$0.00107

Column (a):

- (1) per current tariff
- (2) per current tariff
- (3) per current tariff

Column (b):

- (1) Line (1), Column (c) - Line (1), Column (a)
- (2) Line (2), Column (c) - Line (2), Column (a)
- (3) Line (3), Column (c) - Line (3), Column (a)

Column (c):

- (1) No change in current rate
- (2) Exhibit JAL-2, page 2
- (3) Exhibit JAL-4, Line (11)

THE NARRAGANSETT ELECTRIC COMPANY

Re: Rate Changes for January 1, 2003

Witness: Jeanne A. Lloyd

Exhibit JAL-2
Calculation of the Proposed Transition Charge

Narragansett Electric Company
Calculation of Zonal Transition Charges

Section I: Individual CTC Amounts

	<u>CTC</u>	<u>GWhs</u>	<u>Expected</u> <u>CTC Costs</u>
	(1)	(2)	(3)
Narragansett			
2003	\$0.00690	5,288	\$36,487,200
BVE			
2003	\$0.01730	1,377.851	\$23,836,822
Newport			
2003	\$0.01610	563.367	\$9,070,209
Total CTC Costs			\$69,394,231

Section II: Total Estimated CTC Costs and Transition Charge Calculation

Total		<u>Total Company</u> (4)	<u>NECO</u> (5)	<u>BVE/NPT</u> (6)	
	2003	7,229.218	\$69,394,231	\$52,880,000	\$16,514,231
(7)	2003	<div>0.959</div>	1.000	0.850	

- (1) Per preliminary November 2002 NEP and Montaup CTC Reconciliation Reports, Schedule 1 for 2003
(2) Per preliminary November 2002 NEP and Montaup CTC Reconciliation Reports, Schedule 1 for 2003
(3) (1) x (2)
(4) Sum of Narragansett, BVE and Newport for appropriate year
(5) (1) for Narragansett x 1.00¢ in 2003 per Merger Settlement
(6) (4) - (5)
(7) Per Merger Settlement Formula

Narragansett Electric Company
Calculation of Transition Charge

(1) 2003 Equalized Transition Charge		\$0.00959
(2) Transition Over recovery at September 30, 2002	\$1,137,724	
(3) divided by: forecasted kWh deliveries for 2003	<u>7,497,000,000</u>	
(4) Transition charge kWh credit		<u>(\$0.00015)</u>
(5) Proposed Transition Charge for January 1, 2003		\$0.00944

-
- (1) Page 1 of 2, (7)
(2) Exhibit JAL-3, page 1 of 4
(3) from Company forecast
(4) Line (2) ÷ Line (3), truncated after 5 decimal places
(5) Line (1) + Line (4)

THE NARRAGANSETT ELECTRIC COMPANY

Re: Rate Changes for January 1, 2003

Witness: Jeanne A. Lloyd

Exhibit JAL-3
Transition Charge Reconciliation
for the period
October 2001 through September 2002

The Narragansett Electric Company
Transition Adjustment Reconciliation - Total Company

Company	(Under)/Over Beginning Balance (a)	Transition Charge Revenue (b)	Contract Termination Expense (c)	(Under)/Over (d)	(Under)/Over Ending Balance (e)	Interest (f)	(Under)/Over Ending Balance (g)
Narragansett	8,235,851	49,395,433	38,488,258	10,907,175	19,143,026	741,162	19,884,189
Blackstone Valley Electric	(4,462,715)	12,103,376	20,651,845	(8,548,469)	(13,011,184)	(561,864)	(13,573,048)
Newport	<u>(1,829,732)</u>	<u>5,298,021</u>	<u>8,423,436</u>	<u>(3,125,415)</u>	<u>(4,955,147)</u>	<u>(218,270)</u>	<u>(5,173,417)</u>
Total Company	1,943,404	66,796,831	67,563,539	(766,709)	1,176,696	(38,972)	1,137,724

Column (a) From Pages 2, 3 and 4, column (a): January
Column (b) From Pages 2, 3 and 4, column (b): Total
Column (c) From Pages 2, 3 and 4, column (c): Total
Column (d) column (b) - column (c)
Column (e) column (a) + column (d)
Column (f) From Pages 2, 3 and 4, column (h): Total
Column (g) column (e) + column (f)

The Narragansett Electric Company
Transition Adjustment Reconciliation - Narragansett Electric Company

Month	(Under)/Over Beginning Balance (a)	Transition Charge Revenue (b)	Contract Termination Expense (c)	Monthly (Under)/Over (d)	(Under)/Over Ending Balance (e)	Interest Balance (f)	Monthly Interest Rate (g)	Monthly Interest (h)	Adjustments (i)	Ending Balance (j)
Oct-01	\$ 8,235,851	4,351,749	\$ 3,522,798	\$ 828,951	\$ 9,064,802	\$ 8,650,326	0.503%	\$ 43,468		\$ 9,108,270
Nov-01	9,108,270	4,172,513	3,379,347	793,166	9,901,436	9,504,853	0.503%	47,762		9,949,198
Dec-01	9,949,198	4,332,155	3,497,601	834,555	10,783,752	10,366,475	0.503%	52,092		10,835,844
Jan-02	10,835,844	4,505,287	3,548,815	956,472	11,792,316	11,314,080	0.503%	56,853		11,849,169
Feb-02	11,849,169	4,100,334	3,137,590	962,744	12,811,913	12,330,541	0.503%	61,961		12,873,874
Mar-02	12,873,874	3,638,532	2,794,613	843,919	13,717,793	13,295,834	0.424%	56,396		13,774,190
Apr-02	13,774,190	3,606,292	2,764,056	842,236	14,616,426	14,195,308	0.424%	60,212		14,676,638
May-02	14,676,638	3,523,734	2,698,896	824,838	15,501,476	15,089,057	0.424%	64,003		15,565,478
Jun-02	15,565,478	3,643,701	2,791,349	852,352	16,417,830	15,991,654	0.424%	67,831		16,485,662
Jul-02	16,485,662	4,264,507	3,266,494	998,013	17,483,675	16,984,668	0.424%	72,043		17,555,718
Aug-02	17,555,718	4,717,893	3,613,997	1,103,896	18,659,614	18,107,666	0.424%	76,807		18,736,420
Sep-02	18,736,420	4,538,736	3,472,702	1,066,034	19,802,454	19,269,437	0.424%	81,735		19,884,189
Total	8,235,851	49,395,433	38,488,258	10,907,175	19,143,026			741,162		19,884,189

Column (a) Column (j) from previous row; beginning balance of \$8,184,680 from Docket No. 3402, filed November 2001 plus adjustment of \$51,171 (\$45,120 + 6,051 interest) for diversion adjustment originally booked in July 1999 that should have been subsequently reversed.

Column (b) From Transition Revenues to Narragansett Electric Company

Column (c) From Transition Bills to Narragansett Electric Company

Column (d) Column (c) - Column (b)

Column (e) Column (a) + Column (d)

Column (f) (Column (a) + Column (e)) ÷ 2

Column (g) Customer Deposit Rate ÷ 12

Column (h) Column (f) * Column (g)

Column (i)

Column (j) Column (e) + Column (h) + Column (i)

The Narragansett Electric Company
Transition Adjustment Reconciliation - former Blackstone Valley Electric

Month	(Under)/Over Beginning Balance (a)	Transition Charge Revenue (b)	Contract Termination Expense (c)	Monthly (Under)/Over (d)	(Under)/Over Ending Balance (e)	Interest Balance (f)	Monthly Interest Rate (g)	Monthly Interest (h)	Adjustments (i)	Ending Balance (j)
Oct-01	\$ (4,462,715)	\$ 413,594	\$ 1,675,735	\$ (1,262,141)	\$ (5,724,856)	\$ (5,093,785)	0.503%	\$ (25,596)		\$ (5,750,452)
Nov-01	(5,750,452)	\$ 1,064,153	1,658,597	(594,444)	(6,344,896)	(6,047,674)	0.503%	(30,390)		(6,375,286)
Dec-01	(6,375,286)	\$ 1,065,060	1,660,136	(595,076)	(6,970,362)	(6,672,824)	0.503%	(33,531)		(7,003,893)
Jan-02	(7,003,893)	\$ 1,162,125	1,917,380	(755,255)	(7,759,148)	(7,381,520)	0.503%	(37,092)		(7,796,240)
Feb-02	(7,796,240)	\$ 971,712	1,731,414	(759,702)	(8,555,942)	(8,176,091)	0.503%	(41,085)		(8,597,027)
Mar-02	(8,597,027)	\$ 901,620	1,609,899	(708,279)	(9,305,306)	(8,951,167)	0.424%	(37,968)		(9,343,274)
Apr-02	(9,343,274)	\$ 956,666	1,707,272	(750,605)	(10,093,879)	(9,718,576)	0.424%	(41,223)		(10,135,102)
May-02	(10,135,102)	\$ 845,187	1,504,966	(659,779)	(10,794,881)	(10,464,991)	0.424%	(44,389)		(10,839,270)
Jun-02	(10,839,270)	\$ 916,054	1,635,280	(719,226)	(11,558,496)	(11,198,883)	0.424%	(47,502)		(11,605,998)
Jul-02	(11,605,998)	\$ 1,072,331	1,914,368	(842,038)	(12,448,035)	(12,027,017)	0.424%	(51,015)		(12,499,050)
Aug-02	(12,499,050)	\$ 1,104,388	1,971,229	(866,841)	(13,365,891)	(12,932,470)	0.424%	(54,855)		(13,420,746)
Sep-02	(13,420,746)	\$ 948,001	1,665,569	(717,568)	(14,138,314)	(13,779,530)	0.424%	(58,448)		(14,196,762)
* Oct-02	(14,196,762)	\$ 682,485		682,485	(13,514,278)	(13,855,520)	0.424%	(58,770)		(13,573,048)
Total	(4,462,715)	\$ 12,103,376	\$ 20,651,845	(8,548,469)	(13,011,184)			(561,864)		(13,573,048)

* Indicates estimated revenues for September billed in October.

Column (a) Column (j) from previous row

Column (b) From Transition Revenues to Narragansett Electric Company for the former Blackstone Valley Electric. October 2001 prorated for usage on and after October 1, 2001.

Column (c) From Transition Bills to Narragansett Electric Company for the former Blackstone Valley Electric

Column (d) Column (c) - Column (b)

Column (e) Column (a) + Column (d)

Column (f) (Column (a) + Column (e)) ÷ 2

Column (g) Customer Deposit Rate ÷ 12

Column (h) Column (f) * Column (g)

Column (i)

Column (j) Column (e) + Column (h) + Column (i)

The Narragansett Electric Company
Transition Adjustment Reconciliation - former Newport Electric Corporation

Month	(Under)/Over Beginning Balance (a)	Transition Charge Revenue (b)	Contract Termination Expense (c)	Monthly (Under)/Over (d)	(Under)/Over Ending Balance (e)	Interest Balance (f)	Monthly Interest Rate (g)	Monthly Interest (h)	Adjustments (i)	Under/(Over) Ending Balance (j)
Oct-01	\$ (1,829,732)	\$ 190,359	\$ 698,397	\$ (508,038)	\$ (2,337,769)	\$ (2,083,751)	0.503%	\$ (10,471)		\$ (2,348,240)
Nov-01	(2,348,240)	\$ 457,358	656,268	(198,910)	(2,547,150)	(2,447,695)	0.503%	(12,300)		(2,559,450)
Dec-01	(2,559,450)	\$ 469,435	674,845	(205,411)	(2,764,861)	(2,662,155)	0.503%	(13,377)		(2,778,238)
Jan-02	(2,778,238)	\$ 509,560	774,355	(264,795)	(3,043,033)	(2,910,636)	0.503%	(14,626)		(3,057,659)
Feb-02	(3,057,659)	\$ 427,656	708,038	(280,382)	(3,338,041)	(3,197,850)	0.503%	(16,069)		(3,354,111)
Mar-02	(3,354,111)	\$ 418,290	693,952	(275,662)	(3,629,773)	(3,491,942)	0.424%	(14,812)		(3,644,584)
Apr-02	(3,644,584)	\$ 398,671	660,307	(261,637)	(3,906,221)	(3,775,403)	0.424%	(16,014)		(3,922,235)
May-02	(3,922,235)	\$ 371,282	615,872	(244,590)	(4,166,825)	(4,044,530)	0.424%	(17,156)		(4,183,981)
Jun-02	(4,183,981)	\$ 383,938	636,944	(253,006)	(4,436,987)	(4,310,484)	0.424%	(18,284)		(4,455,270)
Jul-02	(4,455,270)	\$ 438,772	728,018	(289,247)	(4,744,517)	(4,599,894)	0.424%	(19,511)		(4,764,028)
Aug-02	(4,764,028)	\$ 490,862	814,324	(323,462)	(5,087,490)	(4,925,759)	0.424%	(20,893)		(5,108,384)
Sep-02	(5,108,384)	\$ 459,355	762,116	(302,760)	(5,411,144)	(5,259,764)	0.424%	(22,310)		(5,433,454)
* Oct-02	(5,433,454)	\$ 282,485		282,485	(5,150,969)	(5,292,212)	0.424%	(22,448)		(5,173,417)
Total	(1,829,732)	\$ 5,298,021	\$ 8,423,436	(3,125,415)	(4,955,147)			(218,270)		(5,173,417)

* Indicates estimated revenues for September billed in October.

Column (a) Column (j) from previous row

Column (b) From Transition Revenues to Narragansett Electric Company for the former Newport Electric. October 2001 prorated for usage on and after October 1, 2001.

Column (c) From Transition Bills to Narragansett Electric Company for the former Newport Electric

Column (d) Column (c) - Column (b)

Column (e) Column (a) + Column (d)

Column (f) (Column (a) + Column (e)) ÷ 2

Column (g) Customer Deposit Rate ÷ 12

Column (h) Column (f) * Column (g)

Column (i)

Column (j) Column (e) + Column (h) + Column (i)

THE NARRAGANSETT ELECTRIC COMPANY

Re: Rate Changes for January 1, 2003

Witness: Jeanne A. Lloyd

Exhibit JAL-4
Calculation of Proposed Transmission Charge

The Narragansett Electric Company
Calculation of Transmission Service Adjustment Factor
Effective January 1, 2003 - December 31, 2003

(1) Forecasted 2003 Transmission Expense	\$38,570,020	
(2) 2003 Forecasted kWh Sales	<u>7,497,000,000</u>	
(3) Average 2003 Transmission Expense per kWh	\$0.00514	
(4) Average 2002 Transmission Expense per kWh	\$0.00583	
(5) Increase(Decrease) in Average Transmission Expense		(\$0.00069)
(6) Elimination of 2002 credit factor		\$0.00123
(7) Implementation of 2003 over recovery factor		<u>(\$0.00010)</u>
(8) Total Increase(Decrease) in Transmission Adjustment Factor		\$0.00044
(9) Current 2002 Transmission Adjustment Factor		\$0.00063
(10) Increase(Decrease) in 2003 Factor		<u>\$0.00044</u>
(11) Proposed 2003 Transmission Adjustment Factor		\$0.00107

-
- (1) from Exhibit AMR-1
 (2) from Company forecast
 (3) Line (1) ÷ Line (2)
 (4) from RIPUC Docket No. 3402, Exhibit JAL-10, page 1.
 (5) Line (3) - Line (4)
 (6) from Exhibit JAL-5, page 7, factor in effect from Jan 1, 2002 through Dec 30, 2002
 (7) from Exhibit JAL-5, page 12
 (8) Line (5) + Line (6) + Line (7)
 (9) Current factor
 (10) Line (8)
 (11) Line (9) + Line (10)

THE NARRAGANSETT ELECTRIC COMPANY

Re: Rate Changes for January 1, 2003

Witness: Jeanne A. Lloyd

Exhibit JAL-5
Transmission Reconciliation
For the period
October 2001 through September 2002

Narragansett Electric Company
Base Transmission Charge Reconciliation
October 2001 through September 2002**Transmission Reconciliation Balance @September 30, 2002**

		Over/(Under) Beginning Balance	Transmission Revenue	Transmission Adjustment	Transmission Expense	Monthly Over/(Under)	Over/(Under) Ending Balance
	Month	(a)	(b)	(c)	(d)	(e)	(f)
(1)	Oct-01	\$5,195,254	\$1,655,104		\$2,690,828	(\$1,035,725)	\$4,159,529
	Nov-01	\$4,159,529	\$4,221,382	\$3,276	\$3,464,836	\$759,821	\$4,919,351
	Dec-01	\$4,919,351	\$4,354,399	(\$134,056)	\$3,343,545	\$876,798	\$5,796,149
	Jan-02	\$5,796,149	\$4,482,313	\$326,547	\$2,672,484	\$2,136,375	\$7,932,524
	Feb-02	\$7,932,524	\$3,651,972		\$2,462,953	\$1,189,019	\$9,121,543
	Mar-02	\$9,121,543	\$3,335,007	\$2,184	\$4,376,820	(\$1,039,630)	\$8,081,914
	Apr-02	\$8,081,914	\$3,294,913		\$3,869,496	(\$574,583)	\$7,507,331
	May-02	\$7,507,331	\$3,133,867		\$3,314,410	(\$180,543)	\$7,326,788
	Jun-02	\$7,326,788	\$3,285,590		\$4,722,445	(\$1,436,855)	\$5,889,932
	Jul-02	\$5,889,932	\$3,864,470		\$4,661,210	(\$796,741)	\$5,093,192
	Aug-02	\$5,093,192	\$4,156,742		\$5,079,863	(\$923,122)	\$4,170,070
	Sep-02	\$4,170,070	\$3,886,535		\$3,871,236	\$15,300	\$4,185,370
(2)	Oct-02	\$4,185,370	\$2,338,057			\$2,338,057	\$6,523,427
	Total	\$5,195,254	\$45,660,352	\$197,950	\$44,530,129	\$1,328,173	\$6,523,427
	Interest through September 2002						\$321,190
	Base Transmission Reconciliation Balance with Interest						\$6,844,617
	less: Deferred ISO Tariff Expenses incurred for the period January 1999 through September 2001						\$6,111,685
	Net Transmission Reconciliation Balance						\$732,932

(1) Indicates estimated revenues for consumption on and after October 2001

(2) Indicates estimated revenues for September 2002 usage billed in October 2002

Column Descriptions:

- (a) Prior Month Column (f); beginning balance represents 2001 over recovery not refunded per order in RIPUC Docket No. 3402.
 (b) from Page 2
 (c) Nov 2001: Reimbursement of transmission expense incurred on behalf of USGEN in accordance with the terms of the settlement in Docket 3342.
 Dec 2001: Adjustment to transmission revenues in accordance with settlement in Docket 3342.
 Jan 2002: (1) \$134,056 - reversal of Dec 2001 adjustment. This amount is reflected in booked revenues shown in column (b) for the month.
 (2) \$192,491 - remaining balance from 2001 under recovery reconciliation balance from Page 8.
 Mar 2002: Reimbursement of transmission expense incurred on behalf of USGEN in accordance with the terms of the settlement in Docket 3342.
 (d) from Page 4; disputed ISO Tariff expense not included
 (e) Column (b) + Column (c) - Column (d)
 (f) Column (a) + Column (e)

Narragansett Electric Company Total Transmission Revenue						
	Total Transmission Revenue (a)	Less 2002 Transmission Adjustment Revenue (b)	Less 2001 Transmission Adjustment Revenue (c)	Base Transmission Revenue (d)	Less HVM Credit (e)	Net Base Transmission Revenue (f)
1-Oct-01	\$4,693,876	\$0	\$455,354	\$4,238,522	(\$4,278)	\$4,234,244
1-Nov-01	\$4,666,582	\$0	\$439,069	\$4,227,513	(\$6,131)	\$4,221,382
2-Dec-01	\$4,812,194	\$0	\$451,773	\$4,360,421	(\$6,022)	\$4,354,399
2-Jan-02	\$4,380,409	(\$375,733)	\$268,207	\$4,487,936	(\$5,622)	\$4,482,313
2-Feb-02	\$2,884,273	(\$772,634)	\$0	\$3,656,906	(\$4,934)	\$3,651,972
5-Mar-02	\$2,640,392	(\$698,880)	\$0	\$3,339,272	(\$4,265)	\$3,335,007
5-Apr-02	\$2,600,971	(\$698,177)	\$0	\$3,299,148	(\$4,235)	\$3,294,913
6-May-02	\$2,471,763	(\$666,390)	\$0	\$3,138,153	(\$4,286)	\$3,133,867
6-Jun-02	\$2,594,260	(\$695,408)	\$0	\$3,289,668	(\$4,078)	\$3,285,590
7-Jul-02	\$3,056,589	(\$812,382)	\$0	\$3,868,971	(\$4,501)	\$3,864,470
7-Aug-02	\$3,273,952	(\$887,990)	\$0	\$4,161,942	(\$5,200)	\$4,156,742
7-Sep-02	\$3,057,081	(\$833,510)	\$0	\$3,890,591	(\$4,056)	\$3,886,535
8-Oct-02	\$2,846,809	(\$769,157)	\$0	\$3,615,966	(\$4,509)	\$3,611,457
Total	\$43,979,154	(\$7,210,260)	\$1,614,403	\$49,575,011	(\$62,118)	\$49,512,892

- (a) Monthly SMB702 Report, Monthly Standard Offer, Open Access, Last Resort Service Revenue Reports
 (b) from Page 6, Column (c)
 (c) from Page 9, Column (c)
 (d) Column (a) - Column (b) - Column (c)
 (e) from Page 3
 (f) Column (d) - Column (e)

Prorated revenue for October 2001 and October 2002:

	Oct-01 (1)	Oct-02 (2)
Base revenue before reduction for HVM	\$4,238,522	\$3,615,966
Proration factor	<u>39.15%</u>	<u>64.74%</u>
Prorated base revenue	\$1,659,381	\$2,340,976
less: HVM from page 3	<u>\$4,278</u> (3)	<u>-\$64,029,078</u> (HVM from page 3 times 64.74%)
Prorated base revenue w/ HVM	\$1,655,104	\$66,370,055

- (1) Estimated revenues for kWh consumption on and after October 1, 2001
 (2) Estimated revenues for kWh consumption prior to October 1, 2002 billed in October
 (3) HVM discount not included in prorated revenues for September 2001 billed in October calculated for reconciliation ending September 30, 2001. Entire amount of discount included in revenues for October 2001 for this period

kW's Subject to Discount:**kWh's Subject to Discount:**[illegible]

Narragansett Electric Company
Transmission Expense

	NEPOOL PTF <u>Expenses</u>	NEP Non-PTF <u>Expenses</u>	Other NEPOOL <u>Charges</u>	ISO Tariff Expenses - <u>Deferred</u>	Other ISO Tariff <u>Expenses</u>	Total Transmission <u>Expense</u>	Total Transmission Expense less Deferred ISO Tariff <u>Expenses</u>
October-01	\$1,466,528	\$903,013	\$278,820	\$31,553	\$42,467	\$2,722,381	\$2,690,828
November-01	\$1,502,256	\$1,115,396	\$710,553	\$89,936	\$136,631	\$3,554,772	\$3,464,836
December-01	\$1,672,132	\$1,189,563	\$473,535	\$54,483	\$8,315	\$3,398,028	\$3,343,545
January-02	\$1,601,142	\$599,063	\$448,595	\$6,851	\$23,684	\$2,679,335	\$2,672,484
February-02	\$1,588,188	-\$400,312	\$1,215,132	\$48,554	\$59,945	\$2,511,507	\$2,462,953
March-02	\$1,507,811	\$1,873,641	\$962,617	\$106,143	\$32,751	\$4,482,963	\$4,376,820
April-02	\$1,664,528	\$1,245,038	\$850,855	\$45,717	\$109,075	\$3,915,213	\$3,869,496
May-02	\$1,574,387	\$1,225,630	\$502,084	\$6,992	\$12,309	\$3,321,402	\$3,314,410
June-02	\$2,215,913	\$1,371,748	\$1,060,461	\$45,743	\$74,323	\$4,768,188	\$4,722,445
July-02	\$2,402,997	\$653,945	\$1,523,489	\$56,942	\$80,779	\$4,718,152	\$4,661,210
August-02	\$2,480,613	\$1,191,718	\$1,323,883	\$63,231	\$83,649	\$5,143,094	\$5,079,863
September-02	<u>\$2,091,985</u>	<u>\$267,393</u>	<u>\$1,438,890</u>	<u>\$58,652</u>	<u>\$72,968</u>	<u>\$3,929,888</u>	<u>\$3,871,236</u>
Total	\$21,768,480	\$11,235,836	\$10,788,914	\$614,794	\$736,899	\$45,144,923	\$44,530,129

Source: Monthly NEP, NEPOOL and ISO Bills

Narragansett Electric Company
Transmission Reconciliation
Deferred ISO Tariff Expenses

<u>Month</u>	<u>Beginning Balance</u> (a)	<u>Current Month Expense</u> (b)	<u>Ending Balance</u> (c)
Oct-01	\$5,195,254	\$31,553	\$5,226,807
Nov-01	\$5,226,807	\$89,936	\$5,316,742
Dec-01	\$5,316,742	\$54,483	\$5,371,226
Jan-02	\$5,371,226	\$6,851	\$5,378,076
Feb-02	\$5,378,076	\$48,554	\$5,426,630
Mar-02	\$5,426,630	\$106,143	\$5,532,773
Apr-02	\$5,532,773	\$45,717	\$5,578,490
May-02	\$5,578,490	\$6,992	\$5,585,481
Jun-02	\$5,585,481	\$45,743	\$5,631,224
Jul-02	\$5,631,224	\$56,942	\$5,688,166
Aug-02	\$5,688,166	\$63,231	\$5,751,396
Sep-02	\$5,751,396	\$58,652	\$5,810,048
	\$5,195,254	\$614,794	\$5,810,048
Ending Balance			\$5,810,048
Interest for the period October 2001 through September 2002			\$301,637
Ending Balance with Interest			\$6,111,685

(a) Prior Month Column (c); beginning balance represents deferred expenses for the period January 1999 through September 2001 as filed in RIPUC Docket No. 3402, Exhibit JAL-11, page 1.

(b) from Page 4

(c) Column (a) + Column (b)

Narragansett Electric Company
Transmission Over Recovery Reconciliation
Incurred January 2001 - September 2001

<u>Month</u>	<u>Beginning Over Recovery Balance</u> (a)	<u>Transmission Adjustment Revenue</u> (b)	<u>Ending Over Recovery Balance</u> (c)
Jan-02	\$8,772,500	\$375,213	\$8,397,287
Feb-02	\$8,397,287	\$771,208	\$7,626,080
Mar-02	\$7,626,080	\$697,722	\$6,928,357
Apr-02	\$6,928,357	\$697,071	\$6,231,287
May-02	\$6,231,287	\$665,209	\$5,566,078
Jun-02	\$5,566,078	\$694,283	\$4,871,795
Jul-02	\$4,871,795	\$811,226	\$4,060,569
Aug-02	\$4,060,569	\$886,600	\$3,173,970
Sep-02	\$3,173,970	\$833,510	\$2,340,459
Oct-02	\$2,340,459	\$769,157	\$1,571,303
Nov-02	\$1,571,303	\$0	\$1,571,303
Dec-02	\$1,571,303	\$0	\$1,571,303
Jan-03	\$1,571,303	\$0	\$1,571,303
Ending Balance			\$1,571,303
Interest for the period January 2002 through December 2002			\$271,352
Interest - October 2001 through December 2001			\$132,245
Ending Balance with Interest			\$1,974,900

(a) Prior Month Column (c)
(b) from Page 7
(c) Column (a) - Column (b)

Narragansett Electric Company
January 2002 Transmission Cost Adjustment Recovery

		kWh Sales (a)	Jan 2002 Transmission Adjustment Factor (b)	Total Jan 2002 Transmission Adjustment Revenue (c)	Less HMV Discount (d)	Net 2002 Transmission Adjustment Revenue (e)
*	1-Jan-02	305,474,099	(\$0.00123)	(\$375,733)	(\$520)	(\$375,213)
	1-Feb-02	628,157,390	(\$0.00123)	(\$772,634)	(\$1,426)	(\$771,208)
	4-Mar-02	568,195,008	(\$0.00123)	(\$698,880)	(\$1,158)	(\$697,722)
	4-Apr-02	567,623,549	(\$0.00123)	(\$698,177)	(\$1,106)	(\$697,071)
	5-May-02	541,780,356	(\$0.00123)	(\$666,390)	(\$1,181)	(\$665,209)
	5-Jun-02	565,372,057	(\$0.00123)	(\$695,408)	(\$1,125)	(\$694,283)
	6-Jul-02	660,473,240	(\$0.00123)	(\$812,382)	(\$1,156)	(\$811,226)
	6-Aug-02	721,942,852	(\$0.00123)	(\$887,990)	(\$1,390)	(\$886,600)
	6-Sep-02	677,650,701	(\$0.00123)	(\$833,510)	\$0	(\$833,510)
	7-Oct-02	625,330,590	(\$0.00123)	(\$769,157)	\$0	(\$769,157)
	7-Nov-02		(\$0.00123)	\$0	\$0	\$0
	8-Dec-02		(\$0.00123)	\$0	\$0	\$0
	8-Jan-03		(\$0.00123)	\$0	\$0	\$0
	Total	4,928,368,353		(\$6,061,893)	(\$7,116)	(\$6,054,777)

* Estimated kWhs consumed after January 1, 2002

- (a) kWhs per Monthly SMB702 Report, Monthly Standard Offer, Open Access, Last Resort Service Revenue Reports
- (b) Approved Transmission Adjustment Factor for over recovery incurred for the period January 2001 through September 2001
- (c) Column (a) x Column (b)
- (d) from Page 8
- (e) Column (c) - Column (d)

Narragansett Electric Company
High Voltage Metering Discount Relating to January 2002 Transmission Adjustment Factor Recovery
kWh's Subject to Discount

		<u>kWh</u>	<u>1% Discount</u>	<u>Jan 2002 Transmission Adjustment Factor</u>	<u>HVM Discount</u>
		(a)	(b)	(c)	(d)
1-Jan-02	*	42,301,019	423,010	(\$0.00123)	(\$520)
1-Feb-02		115,929,837	1,159,298	(\$0.00123)	(\$1,426)
4-Mar-02		94,132,536	941,325	(\$0.00123)	(\$1,158)
4-Apr-02		89,939,038	899,390	(\$0.00123)	(\$1,106)
5-May-02		96,043,602	960,436	(\$0.00123)	(\$1,181)
5-Jun-02		91,431,194	914,312	(\$0.00123)	(\$1,125)
6-Jul-02		93,974,350	939,744	(\$0.00123)	(\$1,156)
6-Aug-02		113,025,038	1,130,250	(\$0.00123)	(\$1,390)
6-Sep-02			0	(\$0.00123)	\$0
7-Oct-02			0	(\$0.00123)	\$0
7-Nov-02			0	(\$0.00123)	\$0
8-Dec-02			0	(\$0.00123)	\$0
8-Jan-03			<u>0</u>	<u>(\$0.00123)</u>	<u>\$0</u>
Total		578,545,758	5,785,458		(\$7,116)

* Estimated HVM kWhs after January 1, 2002

- (a) CIS System Data
- (b) Column (a) x 1%
- (c) Approved Transmission Adjustment Factor for Jan 2001
- (d) Column (b) x Column (c)

The Narragansett Electric Company
Transmission Under Recovery Reconciliation
Incurred January 2000 - December 2000

<u>Month</u>	<u>Beginning Under Recovery Balance</u> (a)	<u>Transmission Adjustment Revenue</u> (b)	<u>Ending Under Recovery Balance</u> (c)
Jan-01	\$5,230,962	\$262,814	\$4,968,148
Feb-01	\$4,968,148	\$447,901	\$4,520,247
Mar-01	\$4,520,247	\$450,476	\$4,069,772
Apr-01	\$4,069,772	\$420,653	\$3,649,119
May-01	\$3,649,119	\$413,375	\$3,235,744
Jun-01	\$3,235,744	\$440,267	\$2,795,477
Jul-01	\$2,795,477	\$507,198	\$2,288,279
Aug-01	\$2,288,279	\$497,777	\$1,790,502
Sep-01	\$1,790,502	\$517,068	\$1,273,434
Oct-01	\$1,273,434	\$454,730	\$818,704
Nov-01	\$818,704	\$438,278	\$380,426
Dec-01	\$380,426	\$451,042	(\$70,615)
Jan-02	-\$70,615	\$267,835	(\$338,451)
Ending Balance			(\$338,451)
Interest through December 2001 $(5,230,962 + (-338,451))/2 * (5.65\% * 2/12 + 6.03\% * 10/12)$			\$145,960
Total Ending Balance w/ Interest			(\$192,491)

- (a) Prior Month Column (c); beginning balance per R.I.P.U.C. Docket No. 3243, Schedule JAL-7, page 1 of 6
 (b) from Page 10
 (c) Column (a) - Column (b)

Narragansett Electric Company
January 2001 Transmission Cost Adjustment Recovery

	kWh Sales (a)	January 2001 Transmission Adjustment Factor (b)	Total January 2001 Transmission Adjustment Revenue (c)	Less HMV Discount (d)	Net January 2001 Transmission Adjustment Revenue (e)
January 2001	346,350,877	\$0.00076	\$263,227	\$413	\$262,814
February	590,270,471	\$0.00076	\$448,606	\$705	\$447,901
March	593,742,215	\$0.00076	\$451,244	\$768	\$450,476
April	554,318,570	\$0.00076	\$421,282	\$629	\$420,653
May	544,969,795	\$0.00076	\$414,177	\$802	\$413,375
June	580,385,805	\$0.00076	\$441,093	\$826	\$440,267
July	668,283,816	\$0.00076	\$507,896	\$698	\$507,198
August	656,076,680	\$0.00076	\$498,618	\$841	\$497,777
September	681,412,693	\$0.00076	\$517,874	\$806	\$517,068
October	599,149,807	\$0.00076	\$455,354	\$624	\$454,730
November	577,722,374	\$0.00076	\$439,069	\$791	\$438,278
December	594,438,663	\$0.00076	\$451,773	\$732	\$451,042
* January 2002	352,903,469	\$0.00076	\$268,207	\$371	\$267,835
Total	7,340,025,235		\$5,578,419	\$9,007	\$5,569,413

* Estimated kWhs consumed in December 2001 but billed in January 2002

- (a) kWhs per Monthly SMB702 Report, Monthly Standard Offer, Open Access, Last Resort Service Revenue Reports
- (b) Approved Transmission Adjustment Factor for January 2002
- (c) Column (a) x Column (b)
- (d) from Page 11
- (e) Column (c) - Column (d)

Narragansett Electric Company
High Voltage Metering Discount Relating to January 2001 Transmission Adjustment Factor Recovery
kWh's Subject to Discount

			January 2001 Transmission Adjustment Factor	HVM Discount
	<u>kWh</u> (a)	<u>1% Discount</u> (b)	(c)	(d)
January 2001	54,350,568	543,506	\$0.00076	\$413
February	92,711,617	927,116	\$0.00076	\$705
March	101,105,056	1,011,051	\$0.00076	\$768
April	82,770,281	827,703	\$0.00076	\$629
May	105,567,517	1,055,675	\$0.00076	\$802
June	108,707,024	1,087,070	\$0.00076	\$826
July	91,837,472	918,375	\$0.00076	\$698
August	110,639,903	1,106,399	\$0.00076	\$841
September	106,006,231	1,060,062	\$0.00076	\$806
October	82,150,476	821,505	\$0.00076	\$624
November	104,105,504	1,041,055	\$0.00076	\$791
December	96,270,666	962,707	\$0.00076	\$732
January 2002	*	48,864,971	488,650	\$0.00076
Total	1,185,087,286	11,850,873		\$9,007

* Estimated HVM kWhs consumed in December 2001 but billed in January 2002

- (a) CIS System Data
- (b) Column (a) x 1%
- (c) Approved Transmission Adjustment Factor for 2001
- (d) Column (b) x Column (c)

The Narragansett Electric Company
Calculation of Interest and Reconciliation Factor

Balance at September 30, 2002 (\$732,932)

plus: Interest through December 2002 (\$4,663)

Balance at December 2002 (\$737,595)

Month	Beginning Balance (1)	Surcharge/ (Refund) (2)	Ending Balance (3)	Interest Rate (4)	Interest (5)
Jan-03	(\$737,595)	(\$61,466)	(\$676,129)	0.424%	(\$2,998)
Feb-03	(\$679,127)	(\$61,739)	(\$617,389)	0.424%	(\$2,750)
Mar-03	(\$620,138)	(\$62,014)	(\$558,124)	0.424%	(\$2,499)
Apr-03	(\$560,623)	(\$62,291)	(\$498,332)	0.424%	(\$2,246)
May-03	(\$500,578)	(\$62,572)	(\$438,005)	0.424%	(\$1,991)
Jun-03	(\$439,996)	(\$62,857)	(\$377,139)	0.424%	(\$1,733)
Jul-03	(\$378,872)	(\$63,145)	(\$315,727)	0.424%	(\$1,473)
Aug-03	(\$317,200)	(\$63,440)	(\$253,760)	0.424%	(\$1,211)
Sep-03	(\$254,971)	(\$63,743)	(\$191,228)	0.424%	(\$946)
Oct-03	(\$192,175)	(\$64,058)	(\$128,116)	0.424%	(\$679)
Nov-03	(\$128,796)	(\$64,398)	(\$64,398)	0.424%	(\$410)
Dec-03	(\$64,808)	(\$64,808)	\$0	0.424%	(\$137)
Total Surcharge/(Refund) to Customers with Interest			(\$756,669)		(\$19,073)
Total Forecasted kWh Sales for 2003			7,497,000,000		
Reconciliation Transmission Adjustment Factor per kWh			(\$0.00010)		

Notes:

- 1 Column (3) + Column (5) of previous month
For Jan. 2003, see Exhibit JAL-5, page 1
- 2 For Jan. 2003, (Column (1)) ÷ 12. For Feb. 2003, (Column (1))÷11, etc.
- 3 Column (1) - Column (2)
- 4 Current Rate for Customer Deposits
- 5 ((Column (1) + Column (3))÷2)* Column (4)

THE NARRAGANSETT ELECTRIC COMPANY

Re: Rate Changes for January 1, 2003

Witness: Jeanne A. Lloyd

Exhibit JAL-6
Standard Offer Reconciliation for the period
October 2001 through September 2002

The Narragansett Electric Company
Standard Offer Reconciliation

Section 1: Standard Offer Balance @ September 30, 2002

Month	Over(Under) Beginning Balance (a)	Standard Offer Revenue (b)	Standard Offer Expense (c)	Fuel Index Payments (d)	Total Standard Offer Expenses (e)	Monthly Over(Under) (f)	Over(Under) Ending Monthly Balance (g)
October 2001	\$ 1,747,186	\$ 11,469,079	\$ 19,376,244	\$ 8,554,500	\$ 27,930,744	\$ (16,461,665)	\$ (14,714,479)
November	(14,714,479)	27,189,352	18,684,796	6,892,796	25,577,592	1,611,760	(13,102,719)
December	(13,102,719)	28,188,213	20,070,192	6,086,888	26,157,079	2,031,134	(11,071,585)
January 2002	(11,071,585)	30,152,452	22,552,538	2,100,413	24,652,951	5,499,501	(5,572,084)
February	(5,572,084)	24,911,108	20,054,957	727,042	20,781,999	4,129,110	(1,442,974)
March	(1,442,974)	23,335,338	21,452,236	116,375	21,568,611	1,766,728	323,754
April	323,754	22,629,508	19,682,414	-	19,682,414	2,947,094	3,270,848
May	3,270,848	21,688,272	20,125,200	-	20,125,200	1,563,072	4,833,920
June	4,833,920	22,856,178	21,805,168	-	21,805,168	1,051,010	5,884,930
July	5,884,930	27,635,968	27,274,717	-	27,274,717	361,251	6,246,182
August	6,246,182	29,177,572	27,936,971	183,513	28,120,484	1,057,088	7,303,269
September	7,303,269	27,827,864	22,582,553	535,579	23,118,133	4,709,731	12,013,001
** October 2002	12,013,001	16,451,571			-	16,451,571	28,464,572

Totals \$ 1,747,186 \$ 313,512,477 \$ 261,597,985 \$ 25,197,107 \$ 286,795,092 \$ 26,717,386 \$ 28,464,572

Interest - (1) \$ 828,054

Ending Balance with Interest \$ 29,292,626

* Indicates estimated revenues for consumption on and after October 1, 2001

** Indicates estimated revenues for September usage billed in October

(1) Interest expense calculation : $((1,747,186 + 28,464,572)/2 * (6.03\% * 5/12 + 5.09\% * 7/12))$

Column (a)	Column (g) from previous row; beginning balance from Exhibit JAL-5, R.I.P.U.C. Docket No. 3402.
Column (b)	from Company revenue reports
Column (c)	from Standard Offer bills
Column (d)	from Standard Offer bills
Column (e)	Column (c) + Column (d)
Column (f)	Column (b) - Column (e)
Column (g)	Column (a) + Column (f)

Section 2: Average Standard Offer Revenues and Expenses

	Average Revenue/kWh	Average Expense/kWh
Actual		
October	\$ 0.05553	\$ 0.05607
November	\$ 0.05494	\$ 0.05393
December	\$ 0.05477	\$ 0.05040
January 2002	\$ 0.05133	\$ 0.04596
February	\$ 0.04663	\$ 0.04304
March	\$ 0.04667	\$ 0.04202
April	\$ 0.04629	\$ 0.04115
May	\$ 0.04659	\$ 0.04132
June	\$ 0.04657	\$ 0.04130
July	\$ 0.04656	\$ 0.04204
August	\$ 0.04658	\$ 0.04227
September	\$ 0.04655	\$ 0.04299

The Narragansett Electric Company
Summary of Standard Offer Revenue

Actual			
	Gross <u>Revenue</u> (a)	HVM <u>Discount</u> (b)	Net <u>Revenue</u> (c)
Oct-01	\$ 32,339,883	\$ (30,844)	\$ 32,309,039
Nov-01	27,222,339	(32,986)	27,189,352
Dec-01	28,218,304	(30,090)	28,188,213
Jan-02	30,184,413	(31,961)	30,152,452
Feb-02	24,940,353	(29,245)	24,911,108
Mar-02	23,362,346	(27,008)	23,335,338
Apr-02	22,654,910	(25,402)	22,629,508
May-02	21,714,810	(26,538)	21,688,272
Jun-02	22,881,940	(25,762)	22,856,178
Jul-02	27,668,077	(32,109)	27,635,968
Aug-02	29,204,066	(26,494)	29,177,572
Sep-02	27,854,957	(27,092)	27,827,864
Oct-02	25,231,870	(15,720)	25,216,150

Notes:

- (a) from Company SMB702 monthly revenue reports
 (b) Page 3
 (c) Column (a) + Column (b)

The Narragansett Electric Company
Summary of Standard Offer Revenue - HVM Discount

		kWh Subject to <u>Discount</u> (a)	Discounted kWhs (b)	Effective Standard <u>Offer Rate</u> (c)	Standard Offer HVM <u>Discount</u> (d)
*	Oct-01 Sept usage	24,370,084	243,701	\$0.06302	\$15,358
*	Oct-01 Oct usage	28,156,832	281,568	\$0.05500	15,486
	Nov-01	59,975,314	599,753	\$0.05500	32,986
	Dec-01	54,709,836	547,098	\$0.05500	30,090
*	Jan-02 Dec usage	32,717,911	327,179	\$0.05500	17,995
*	Jan-02 Jan usage	29,956,481	299,565	\$0.04662	13,966
	Feb-02	62,730,294	627,303	\$0.04662	29,245
	Mar-02	57,931,738	579,317	\$0.04662	27,008
	Apr-02	54,488,196	544,882	\$0.04662	25,402
	May-02	56,924,112	569,241	\$0.04662	26,538
	Jun-02	55,259,004	552,590	\$0.04662	25,762
	Jul-02	68,873,170	688,732	\$0.04662	32,109
	Aug-02	56,830,258	568,303	\$0.04662	26,494
	Sep-02	58,113,140	581,131	\$0.04662	27,092
*	Oct-02 Sep usage	33,718,719	337,187	\$0.04662	15,720
*	Oct-02 Oct usage	25,914,342	259,143	\$0.04662	12,081

* Usage for these months prorated for rate changes effective for usage on and after the 1st day of the month.

Notes:

- (a) CIS System Data
- (b) Column (a) x 1%
- (c) Currently effective tariff
- (d) Column (b) x Column (c)

THE NARRAGANSETT ELECTRIC COMPANY

Re: Rate Changes for January 1, 2003

Witness: Jeanne A. Lloyd

Exhibit JAL-7

**Standard Offer Reconciliation for the period
October 2001 through September 2004**

The Narragansett Electric Company
Standard Offer Reconciliation
Projected Balance at Year Ending September 2003

Projected Balance @ September 30, 2003

Month	Over(Under) Beginning Balance (a)	Standard Offer Revenue (b)	Standard Offer Expense (c)	Fuel Index Payments (d)	Total Standard Offer Expenses (e)	Monthly Over(Under) (f)	Over(Under) Ending Monthly Balance (g)	Monthly Balance Including Unbilled (h)
Oct-02	\$ 29,292,626	\$ 8,752,498	\$20,592,372	\$1,294,378	\$21,886,749	\$ (13,134,251)	\$ 16,158,374	\$ 28,257,836
Nov-02	16,158,374	24,198,923	21,800,831	1,988,028	23,788,859	410,063	16,568,438	29,772,886
Dec-02	16,568,438	26,408,896	23,791,798	2,962,645	26,754,443	(345,548)	16,222,890	29,851,012
Jan-03	16,222,890	27,256,243	27,478,409	514,489	27,992,898	(736,655)	15,486,235	28,167,147
Feb-03	15,486,235	25,361,824	25,568,549	1,381,790	26,950,338	(1,588,514)	13,897,721	25,971,747
Mar-03	13,897,721	24,148,053	24,344,884	1,916,512	26,261,396	(2,113,343)	11,784,378	23,443,815
Apr-03	11,784,378	23,318,874	23,508,946	2,000,761	25,509,707	(2,190,834)	9,593,544	20,892,532
May-03	9,593,544	22,597,975	22,782,171	1,992,228	24,774,399	(2,176,424)	7,417,120	19,487,492
Jun-03	7,417,120	24,140,745	24,337,517	2,159,307	26,496,824	(2,356,079)	5,061,041	18,449,065
Jul-03	5,061,041	26,776,047	26,994,299	2,412,257	29,406,556	(2,630,508)	2,430,533	16,442,903
Aug-03	2,430,533	28,024,741	28,253,171	2,530,763	30,783,934	(2,759,193)	(328,660)	12,781,214
Sep-03	(328,660)	26,219,749	26,433,466	2,249,657	28,683,123	(2,463,374)	(2,792,034)	8,853,373
* Oct-03	(2,792,034)	11,645,407				11,645,407	8,853,373	
Totals	\$ 29,292,626	\$298,849,975	\$ 295,886,412	\$ 23,402,815	\$ 319,289,227	\$ (20,439,253)	\$ 8,853,373	
Interest							\$ 970,816	
Ending Balance@ September 30, 2003 with Interest							\$ 9,824,189	

* For September usage billed in October

Column (a) Column (g) from previous row; beginning balance from period ending September 30, 2002
Column (b) from Page 3
Column (c) from Page 4
Column (d) from Page 4
Column (e) Column (c) + Column (d)
Column (f) Column (b) - Column (e)
Column (g) Column (a) + Column (f)
Column (h) Column (g) + 50% of next month's Column (b)

The Narragansett Electric Company
Standard Offer Reconciliation
Projected Balance at Year Ending December 31, 2004

Section 1. Projected Balance @ September 30, 2004

Month	Over(Under) Beginning Balance (a)	Standard Offer Revenue (b)	Standard Offer Expense (c)	Fuel Index Payments (d)	Total Standard Offer Expenses (e)	Monthly Over(Under) (f)	Over(Under) Ending Monthly Balance (g)	Monthly Balance Including Unbilled (h)
Oct-03	\$ 9,824,189	\$11,645,407	\$23,480,658	\$1,863,465	\$25,344,123	\$ (13,698,716)	\$ (3,874,527)	\$8,449,751
Nov-03	(3,874,527)	24,648,556	24,849,466	1,845,205	26,694,672	(2,046,116)	(5,920,643)	7,519,704
Dec-03	(5,920,643)	26,880,694	27,099,799	1,920,050	29,019,848	(2,139,154)	(8,059,797)	5,772,746
Jan-04	(8,059,797)	27,665,086	30,264,252	0	30,264,252	(2,599,165)	(10,658,962)	2,212,164
Feb-04	(10,658,962)	25,742,252	28,160,764	0	28,160,764	(2,418,513)	(13,077,475)	(822,338)
Mar-04	(13,077,475)	24,510,274	26,813,041	0	26,813,041	(2,302,767)	(15,380,242)	(3,545,913)
Apr-04	(15,380,242)	23,668,657	25,892,353	0	25,892,353	(2,223,696)	(17,603,938)	(6,135,466)
May-04	(17,603,938)	22,936,945	25,091,896	0	25,091,896	(2,154,951)	(19,758,889)	(7,507,461)
Jun-04	(19,758,889)	24,502,856	26,804,927	0	26,804,927	(2,302,070)	(22,060,959)	(8,472,115)
Jul-04	(22,060,959)	27,177,688	29,731,061	0	29,731,061	(2,553,374)	(24,614,333)	(10,391,777)
Aug-04	(24,614,333)	28,445,112	31,117,562	0	31,117,562	(2,672,449)	(27,286,782)	(13,980,260)
Sep-04	(27,286,782)	26,613,045	29,113,370	0	29,113,370	(2,500,325)	(29,787,107)	(17,967,019)
* Oct-04	(29,787,107)	11,820,088				11,820,088	(17,967,019)	
Totals	\$ 9,824,189	\$ 306,256,660	\$328,419,148	\$ 5,628,720	\$ 334,047,868	\$ (27,791,207)	\$ (17,967,019)	
Interest							\$ (207,235)	
Ending Balance@ September 30, 2004 with Interest							\$ (18,174,254)	

* For September usage billed in October

Section 2. Projected Balance @ December 31, 2004

Month	Over(Under) Beginning Balance (a)	Standard Offer Revenue (b)	Standard Offer Expense (c)	Fuel Index Payments (d)	Total Standard Offer Expenses (e)	Monthly Over(Under) (f)	Over(Under) Ending Monthly Balance (g)	Monthly Balance Including Unbilled (h)
Oct-04	\$ (18,174,254)	11,820,088	\$25,861,197	\$0	\$25,861,197	\$ (14,041,109)	\$ (32,215,362)	(\$19,706,220)
Nov-04	(32,215,362)	25,018,284	27,368,779	0	27,368,779	(2,350,495)	(34,565,858)	(20,923,905)
Dec-04	(34,565,858)	27,283,904	29,847,257	0	29,847,257	(2,563,353)	(37,129,210)	(23,296,667)
Jan-05	(37,129,210)	13,832,543				13,832,543	(23,296,667)	
Totals	\$ (18,174,254)	\$ 77,954,820	\$83,077,234	\$0	\$83,077,234	\$ (5,122,413)	(23,296,667)	
Interest							\$ (263,859)	
Ending Balance@ December 31, 2004 with Interest							\$ (23,560,526)	

Column (a) Column (g) from previous row; beginning balance from Page 1.
Column (b) from Page 3
Column (c) from Page 4
Column (d) from Page 4
Column (e) Column (c) + Column (d)
Column (f) Column (b) - Column (e)
Column (g) Column (a) + Column (f)
Column (h) Column (g) + 50% of next month's Column (b)

The Narragansett Electric Company
Standard Offer Reconciliation
Estimated Revenue for October 2002 through January 2005

- | | | |
|-----|---|-------|
| (1) | Estimated Standard Offer Deliveries as % of Total Deliveries for 2002 | 86.6% |
| (2) | Estimated Standard Offer Deliveries as % of Total Deliveries for 2003 | 86.6% |
| (3) | Estimated Standard Offer Deliveries as % of Total Deliveries for 2004 | 86.6% |

<u>Month</u>	Estimated Total Company kWh <u>Deliveries</u> (a)	Estimated Standard Offer <u>Deliveries</u> (b)	Standard Offer <u>Rate</u> (c)	Total <u>Revenues</u> (d)
Oct-02	566,160,000	490,294,560	\$0.04662	\$22,857,532
Nov-02	599,385,000	519,067,410	\$0.04662	\$24,198,923
Dec-02	654,124,000	566,471,384	\$0.04662	\$26,408,896
Jan-03	675,112,000	584,646,992	\$0.04662	\$27,256,243
Feb-03	628,189,000	544,011,674	\$0.04662	\$25,361,824
Mar-03	598,125,000	517,976,250	\$0.04662	\$24,148,053
Apr-03	577,587,000	500,190,342	\$0.04662	\$23,318,874
May-03	559,731,000	484,727,046	\$0.04662	\$22,597,975
Jun-03	597,944,000	517,819,504	\$0.04662	\$24,140,745
Jul-03	663,218,000	574,346,788	\$0.04662	\$26,776,047
Aug-03	694,147,000	601,131,302	\$0.04662	\$28,024,741
Sep-03	649,439,000	562,414,174	\$0.04662	\$26,219,749
Oct-03	576,892,000	499,588,472	\$0.04662	\$23,290,815
Nov-03	610,522,000	528,712,052	\$0.04662	\$24,648,556
Dec-03	665,810,000	576,591,460	\$0.04662	\$26,880,694
Jan-04	685,238,680	593,416,697	\$0.04662	\$27,665,086
Feb-04	637,611,835	552,171,849	\$0.04662	\$25,742,252
Mar-04	607,096,875	525,745,894	\$0.04662	\$24,510,274
Apr-04	586,250,805	507,693,197	\$0.04662	\$23,668,657
May-04	568,126,965	491,997,952	\$0.04662	\$22,936,945
Jun-04	606,913,160	525,586,797	\$0.04662	\$24,502,856
Jul-04	673,166,270	582,961,990	\$0.04662	\$27,177,688
Aug-04	704,559,205	610,148,272	\$0.04662	\$28,445,112
Sep-04	659,180,585	570,850,387	\$0.04662	\$26,613,045
Oct-04	585,545,380	507,082,299	\$0.04662	\$23,640,177
Nov-04	619,679,830	536,642,733	\$0.04662	\$25,018,284
Dec-04	675,797,150	585,240,332	\$0.04662	\$27,283,904
Jan-05	685,238,680	593,416,697	\$0.04662	\$27,665,086

Notes:

- (a) Per Company forecast, kWhs for January 2004 through December 2004 are corresponding months in 2003 x 1.5%(growth factor)
- (b) Column (a) x Line (1)
- (c) Per currently effective tariff
- (d) Column (b) x Column (c)

(1),(2),(3) From Page 4, Line (3)

The Narragansett Electric Company
Standard Offer Reconciliation
Estimated Standard Offer Expenses (October 2002 through December 2004)

Section 1. Estimation of Standard Offer kWh DeliveriesOct-02

(1) Standard Offer kWhs	541,505,038
(2) Total kWh Deliveries	625,330,590
(3) Percentage of Standard Offer kWhs to Total kWhs for 2002	86.6%

Notes:

- (1) Company revenue reports
(2) Company revenue reports
(3) Line (1) ÷ Line (2)

Section 2. Calculation of Projected Expenses

	Projected Total Company kWh Deliveries (a)	% of Standard Offer kWhs to Total kWhs (b)	Projected Standard Offer kWh Deliveries (c)	Base Standard Offer Charge (d)	Base Standard Offer Expenses (e)	Projected Fuel Index Cost per kWh (f)	Projected Fuel Index Payments (g)	Total Projected Standard Offer Expenses (h)
Oct-02	566,160,000	86.6%	490,294,560	\$0.04200	\$20,592,372	\$0.00264	\$1,294,378	\$21,886,749
Nov-02	599,385,000	86.6%	519,067,410	\$0.04200	\$21,800,831	\$0.00383	\$1,988,028	\$23,788,859
Dec-02	654,124,000	86.6%	566,471,384	\$0.04200	\$23,791,798	\$0.00523	\$2,962,645	\$26,754,443
Jan-03	675,112,000	86.6%	584,646,992	\$0.04700	\$27,478,409	\$0.00088	\$514,489	\$27,992,898
Feb-03	628,189,000	86.6%	544,011,674	\$0.04700	\$25,568,549	\$0.00254	\$1,381,790	\$26,950,338
Mar-03	598,125,000	86.6%	517,976,250	\$0.04700	\$24,344,884	\$0.00370	\$1,916,512	\$26,261,396
Apr-03	577,587,000	86.6%	500,190,342	\$0.04700	\$23,508,946	\$0.00400	\$2,000,761	\$25,509,707
May-03	559,731,000	86.6%	484,727,046	\$0.04700	\$22,782,171	\$0.00411	\$1,992,228	\$24,774,399
Jun-03	597,944,000	86.6%	517,819,504	\$0.04700	\$24,337,517	\$0.00417	\$2,159,307	\$26,496,824
Jul-03	663,218,000	86.6%	574,346,788	\$0.04700	\$26,994,299	\$0.00420	\$2,412,257	\$29,406,556
Aug-03	694,147,000	86.6%	601,131,302	\$0.04700	\$28,253,171	\$0.00421	\$2,530,763	\$30,783,934
Sep-03	649,439,000	86.6%	562,414,174	\$0.04700	\$26,433,466	\$0.00400	\$2,249,657	\$28,683,123
Oct-03	576,892,000	86.6%	499,588,472	\$0.04700	\$23,480,658	\$0.00373	\$1,863,465	\$25,344,123
Nov-03	610,522,000	86.6%	528,712,052	\$0.04700	\$24,849,466	\$0.00349	\$1,845,205	\$26,694,672
Dec-03	665,810,000	86.6%	576,591,460	\$0.04700	\$27,099,799	\$0.00333	\$1,920,050	\$29,019,848
Jan-04	685,238,680	86.6%	593,416,697	\$0.05100	\$30,264,252	\$0.00000	\$0	\$30,264,252
Feb-04	637,611,835	86.6%	552,171,849	\$0.05100	\$28,160,764	\$0.00000	\$0	\$28,160,764
Mar-04	607,096,875	86.6%	525,745,894	\$0.05100	\$26,813,041	\$0.00000	\$0	\$26,813,041
Apr-04	586,250,805	86.6%	507,693,197	\$0.05100	\$25,892,353	\$0.00000	\$0	\$25,892,353
May-04	568,126,965	86.6%	491,997,952	\$0.05100	\$25,091,896	\$0.00000	\$0	\$25,091,896
Jun-04	606,913,160	86.6%	525,586,797	\$0.05100	\$26,804,927	\$0.00000	\$0	\$26,804,927
Jul-04	673,166,270	86.6%	582,961,990	\$0.05100	\$29,731,061	\$0.00000	\$0	\$29,731,061
Aug-04	704,559,205	86.6%	610,148,272	\$0.05100	\$31,117,562	\$0.00000	\$0	\$31,117,562
Sep-04	659,180,585	86.6%	570,850,387	\$0.05100	\$29,113,370	\$0.00000	\$0	\$29,113,370
Oct-04	585,545,380	86.6%	507,082,299	\$0.05100	\$25,861,197	\$0.00000	\$0	\$25,861,197
Nov-04	619,679,830	86.6%	536,642,733	\$0.05100	\$27,368,779	\$0.00000	\$0	\$27,368,779
Dec-04	675,797,150	86.6%	585,240,332	\$0.05100	\$29,847,257	\$0.00000	\$0	\$29,847,257
Total Expected Fuel Payments through December 2004							\$29,031,535	

Notes:

- (a) Per Company forecast, kWhs for January 2004 through December 2004 are corresponding months in 2003 x 1.5%(growth factor)
(b) Section 1, Line (3)
(c) Column (a) x Column (b)
(d) Per standard offer contract
(e) Column (c) x Column (d)
(f) Company estimate
(g) Column (c) x Column (f)
(h) Column (e) + Column (g)

THE NARRAGANSETT ELECTRIC COMPANY

Re: Rate Changes for January 1, 2003

Witness: Jeanne A. Lloyd

Exhibit JAL-8

Balance of \$20 Million Lump Sum Supplier Payment

THE NARRAGANSETT ELECTRIC COMPANY

Interest Calculation on \$20 Million Supplier Lump Sum Payment

<u>Month</u>	<u>Beginning Balance</u> (1)	<u>Interest Rate</u> (2)	<u>Interest Charges</u> (3)	<u>Cumulative Interest</u> (4)	<u>Ending Balance</u> (5)
Dec-01 \$	20,000,000	0.503%	\$ 100,500	\$ 100,500	\$ 20,100,500
Jan-02	20,100,500	0.503%	101,005	201,505	20,201,505
Feb-02	20,201,505	0.503%	101,513	303,018	20,303,018
Mar-02	20,303,018	0.424%	86,119	389,136	20,389,136
Apr-02	20,389,136	0.424%	86,484	475,620	20,475,620
May-02	20,475,620	0.424%	86,851	562,471	20,562,471
Jun-02	20,562,471	0.424%	87,219	649,690	20,649,690
Jul-02	20,649,690	0.424%	87,589	737,279	20,737,279
Aug-02	20,737,279	0.424%	87,961	825,240	20,825,240
Sep-02	20,825,240	0.424%	88,334	913,573	20,913,573
Oct-02	20,913,573	0.424%	88,708	1,002,282	21,002,282
Nov-02	21,002,282	0.424%	89,085	1,091,367	21,091,367
Dec-02	21,091,367	0.424%	89,463	1,180,829	21,180,829

column (1) from prior month column (5)
column (2) customer deposits rate
column (3) column (1) * column (2)
column (4) cumulative total of column (3)
column (5) column (1) + column (3)

THE NARRAGANSETT ELECTRIC COMPANY

Re: Rate Changes for January 1, 2003

Witness: Jeanne A. Lloyd

Exhibit JAL-9
Last Resort Reconciliation
for the period October 2001 through September 2002

The Narragansett Electric Company
Last Resort Reconciliation

Month	(Under)/Over Beginning Balance (a)	Last Resort Revenue (b)	Last Resort Expense (c)	Monthly (Under)/Over (d)	Adjustments (e)	(Under)/Over Ending Balance (g)
* Oct-01	\$ -	\$ 75,088	\$ 299,106	\$ (224,019)		\$ (224,019)
Nov-01	(224,019)	287,693	264,539	23,154		(200,865)
Dec-01	(200,865)	200,180	274,419	(74,239)		(275,104)
Jan-02	(275,104)	203,588	(383,073)	586,661		311,557
Feb-02	311,557	(102,967)	(110,869)	7,902		319,459
Mar-02	319,459	125,248	41,820	83,428		402,887
Apr-02	402,887	109,423	118,605	(9,182)		393,705
May-02	393,705	101,038	(41,497)	142,535		536,241
Jun-02	536,241	78,038	(78,271)	156,309		692,550
Jul-02	692,550	179,404	158,539	20,865		713,415
Aug-02	713,415	112,850	209,704	(96,854)		616,561
Sep-02	616,561	80,868	89,703	(8,835)		607,726
** Oct-02	607,726	39,917	-	39,917		647,643
Totals	\$ -	\$ 1,490,369	\$ 842,726	\$ 647,643	\$ -	\$ 647,643
Interest						\$ 17,751
Ending Balance with Interest						\$ 665,394

* Indicates revenue for consumption on and after October 1, 2001

** Indicates revenue for consumption in September but billed in October

Column (a) Column (g) from previous row; October 2001 beginning balance per RIPUC Docket No. 3402.

Column (b) Page 2

Column (c) Last Resort bills

Column (d) Column (b) - Column (c)

Column (e)

Column (g) Column (a) + Column (d) + Column (e)

The Narragansett Electric Company
Summary of Last Resort Revenues

		<u>Last Resort Revenues</u>	<u>HVM Discount</u>	<u>Last Resort Net Revenues</u>
*	October 2001	\$ 75,088	\$0	\$75,088
	November	\$289,721	(\$2,027)	\$287,693
	December	\$201,324	(\$1,144)	\$200,180
	January 2002	\$204,802	(\$1,214)	\$203,588
	February	(\$102,607)	(\$360)	(\$102,967)
	March	\$125,734	(\$486)	\$125,248
	April	\$109,796	(\$373)	\$109,423
	May	\$101,388	(\$349)	\$101,038
	June	\$78,127	(\$89)	\$78,038
	July	\$180,246	(\$842)	\$179,404
	August	\$112,991	(\$141)	\$112,850
	September	\$80,912	(\$44)	\$80,868
	October	\$61,537	(\$69)	\$61,468
		\$1,519,057	(\$7,138)	\$1,511,920

* Estimated revenue for consumption on and after October 1, 2001

- (a) Company revenue reports
- (b) from Page 3
- (c) Column (a) + Column (b)

The Narragansett Electric Company
Summary of HVM Discount

	October	November	December	January '01	February	March	April	May	June	July	August	September	October
G-02													
Billed in Prior Mnth													
Billed in Current mnth													
Prior Mnth Rate	\$0.05674	\$0.05674	\$0.05674	\$0.05674	\$0.05674	\$0.05674	\$0.05128	\$0.05193	\$0.05164	\$0.06365	\$0.07481	\$0.07496	\$0.00000
Current Mnth Rate	\$0.05674	\$0.05674	\$0.05674	\$0.05674	\$0.05674	\$0.05128	\$0.05193	\$0.05164	\$0.06365	\$0.07481	\$0.07496		
Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HVM Discount (1%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
G-32/B-32													
Billed in Prior Mnth	298,714	779,650	719,450	870,416	634,800	850,455	727,000	670,516	156,339	973,286	123,972	-	103,278
Billed in Current mnth	943,496	-	-	15,884	-	6,595	-	2,134	12,711	298,063	63,928	98,000	49,622
Prior Mnth Rate	\$0.05674	\$0.05674	\$0.05674	\$0.05674	\$0.05674	\$0.05674	\$0.05128	\$0.05193	\$0.05164	\$0.06365	\$0.07481	\$0.07496	\$0.04500
Current Mnth Rate	\$0.05674	\$0.05674	\$0.05674	\$0.05674	\$0.05674	\$0.05128	\$0.05193	\$0.05164	\$0.06365	\$0.07481	\$0.07496	\$0.04500	\$0.04500
Revenue	\$70,483	\$44,237	\$40,822	\$50,289	\$36,019	\$48,593	\$37,281	\$34,930	\$8,882	\$84,248	\$14,066	\$4,410	\$6,881
HVM Discount (1%)	-\$705	-\$442	-\$408	-\$503	-\$360	-\$486	-\$373	-\$349	-\$89	-\$842	-\$141	-\$44	-\$69
G-62/B-62													
Billed in Prior Mnth		657,318	167,226	161,652									
Billed in Current mnth		2,136,282	1,128,774	1,091,148									
Prior Mnth Rate	\$0.05674	\$0.05674	\$0.05674	\$0.05674	\$0.05674	\$0.05674	\$0.05128	\$0.05193	\$0.05164	\$0.06365	\$0.07481	\$0.07496	\$0.04500
Current Mnth Rate	\$0.05674	\$0.05674	\$0.05674	\$0.05674	\$0.05674	\$0.05128	\$0.05193	\$0.05164	\$0.06365	\$0.07481	\$0.07496	\$0.04500	\$0.04500
Revenue	\$0	\$158,509	\$73,535	\$71,084	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HVM Discount (1%)	\$0	-\$1,585	-\$735	-\$711	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Discount	-\$705	-\$2,027	-\$1,144	-\$1,214	-\$360	-\$486	-\$373	-\$349	-\$89	-\$842	-\$141	-\$44	-\$69
Total kWhs	1,242,210	3,573,250	2,015,450	2,139,100	634,800	857,050	727,000	672,650	169,050	1,271,349	187,900	98,000	152,900
Total Prior Month	-\$169	-\$815	-\$503	-\$586	-\$360	-\$483	-\$373	-\$348	-\$81	-\$619	-\$93	\$0	-\$46
Total Current Month	-\$535	-\$1,212	-\$640	-\$628	\$0	-\$3	\$0	-\$1	-\$8	-\$223	-\$48	-\$44	-\$22

THE NARRAGANSETT ELECTRIC COMPANY

Re: Rate Changes for January 1, 2003

Witness: Jeanne A. Lloyd

Exhibit JAL-10
Tariff Cover Sheets

THE NARRAGANSETT ELECTRIC COMPANY
Basic Residential Rate (A-16)
Retail Delivery Service

Effective
January 1, 2003

R.I.P.U.C. No. 1125

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Customer Charge per month</u>	\$2.54
<u>Non-Bypassable Transition Charge per kWh</u>	0.944¢
<u>Transmission Charge per kWh</u>	0.436¢
<u>Transmission Adjustment Factor per kWh</u>	0.107¢
<u>Distribution Charge per kWh*</u>	3.657¢
<u>Minimum Charge per month</u>	\$2.54
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢ (Eff. Jan. 1, 1997)

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

* In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
Residential Water Heater Control Rate (A-18)
Retail Delivery Service

Effective
January 1, 2003

R.I.P.U.C. No. 1126-A

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Customer Charge per month</u>	\$2.52
<u>Non-Bypassable Transition Charge per kWh</u>	0.944¢
<u>Transmission Charge per kWh</u>	0.387¢
<u>Transmission Adjustment Factor per kWh</u>	0.107¢
<u>Distribution Charge per kWh*</u>	3.536¢
<u>Credit per kWh for the first 750 kWh per month</u>	0.661¢
<u>Minimum Charge per month</u>	\$2.52
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢ (Eff. Jan. 1, 1997)

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

* In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit.

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY

Residential Time-Of-Use Rate (A-32)

Retail Delivery Service

Effective

January 1, 2003

R.I.P.U.C. No. 1127-A

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Customer Charge per month</u>	\$2.30
<u>Time-of-use Metering Charge per month</u>	\$4.44
<u>Non-Bypassable Transition Charge per kWh</u>	0.944¢
<u>Transmission Charge per kWh</u>	0.392¢
<u>Transmission Adjustment Factor per kWh</u>	0.107¢
<u>Distribution Charge per kWh*</u>	2.558¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢ (Eff. Jan. 1, 1997)

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

* In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit.

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY

Low Income Rate (A-60)

Retail Delivery Service

Effective
January 1, 2003

R.I.P.U.C. No. 1128

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Non-Bypassable Transition Charge per kWh</u>	0.944¢
<u>Transmission Charge per kWh</u>	0.338¢
<u>Transmission Adjustment Factor per kWh</u>	0.107¢
<u>Distribution Charge per kWh*</u>	2.551¢
<u>Water Heater Credit per kWh for the first 750 kWh per month</u>	0.661¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢ (Eff. Jan. 1, 1997)
<u>A-60 Rate Credit</u>	0.227¢

Additional Delivery Rates for Blackstone Valley Zone

<u>Blackstone Distribution Charge per first 300 kWh</u>	(1.436)¢
<u>Blackstone Distribution Charge in excess 300 kWh</u>	1.194¢

Additional Delivery Rates for Newport Zone

<u>Newport Distribution Charge first 300 kWh</u>	(0.782)¢
<u>Newport Distribution Charge in excess 300 kWh</u>	1.952¢

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

* In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit.

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
General C&I Back-Up Service Rate (B-02)
Retail Delivery Service

Effective
January 1, 2003

R.I.P.U.C. No. 1129

Monthly Charge As Adjusted

	<u>Rates for Back-Up Service</u>	<u>Rates for Supplemental Service</u>
<u>Rates for Retail Delivery Service</u>		
<u>Customer Charge per month</u>	\$103.41	n/a
<u>Distribution Demand Charge per kW in excess 10 kW</u>	\$2.91	\$2.91
<u>Transmission Demand Charge per kW in excess 10 kW</u>	\$1.40	\$1.40
<u>Transmission Adjustment Factor per kWh</u>	0.107¢	0.107¢
<u>Distribution Energy Charge per kWh *</u>	0.992¢	0.992¢
<u>Non-bypassable Transition Charge per kWh</u>	n/a	0.944¢
<u>C&LM Adjustment per kWh</u>	n/a	0.230¢
<u>Rates for Standard Offer Service or Last Resort Service (Optional)</u>		
<u>Standard Offer per kWh</u>	n/a	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	n/a	per Last Resort Service tariff

* In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit.

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
Small C&I Back-Up Service Rate (B-06)
Retail Delivery Service

Effective
January 1, 2003

R.I.P.U.C. No. 1130

Monthly Charge As Adjusted

	<u>Rates for Back-Up Service</u>	<u>Rates for Supplemental Service</u>
<u>Rates for Retail Delivery Service</u>		
<u>Customer Charge per month</u>	\$5.73	n/a
<u>Transmission Energy Charge per kWh</u>	0.536¢	0.536¢
<u>Transmission Adjustment Factor per kWh</u>	0.107¢	0.107¢
<u>Distribution Energy Charge per kWh *</u>	3.860¢	3.860¢
<u>Non-bypassable Transition Charge per kWh</u>	n/a	0.944¢
<u>C&LM Adjustment per kWh</u>	n/a	0.230¢
<u>Rates for Standard Offer Service or Last Resort Service (Optional)</u>		
<u>Standard Offer per kWh</u>	n/a	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	n/a	per Last Resort Service tariff

* In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit.

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
200 kW Back-Up Service Rate (B-32)
 Retail Delivery Service

Effective
 January 1, 2003

R.I.P.U.C. No. 1131

Monthly Charge As Adjusted

	<u>Rates for Back-Up Service</u>	<u>Rates for Supplemental Service</u>
<u>Rates for Retail Delivery Service</u>		
<u>Customer Charge per month</u>	\$236.43	n/a
<u>Transmission Demand Charge per kW</u>	\$1.27	\$1.27
<u>Distribution Demand Charge per kW</u>	\$1.56	\$1.56
<u>Transmission Adjustment Factor per kWh</u>	0.107¢	0.107¢
<u>Distribution Energy Charge per kWh *</u>	1.101¢	1.101¢
<u>Non-bypassable Transition Charge per kWh</u>	n/a	0.944¢
<u>C&LM Adjustment per kWh</u>	n/a	0.230¢
<u>Rates for Standard Offer Service or Last Resort Service (Optional)</u>		
<u>Standard Offer per kWh</u>	n/a	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	n/a	per Last Resort Service tariff

* In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit.

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW Back-Up Service Rate (B-62)
Retail Delivery Service

Effective
January 1, 2003

R.I.P.U.C. No. 1132

Monthly Charge As Adjusted

	<u>Rates for Back-Up Service</u>	<u>Rates for Supplemental Service</u>
<u>Rates for Retail Delivery Service</u>		
<u>Customer Charge per month</u>	\$17,118.72	n/a
<u>Distribution Demand Charge per kW</u>	\$0.75	\$0.75
<u>Transmission Demand Charge per kW</u>	\$1.39	\$1.39
<u>Transmission Adjustment Factor per kWh</u>	0.107¢	0.107¢
<u>Distribution Energy Charge per kWh *</u>	0.396¢	0.396¢
<u>Non-bypassable Transition Charge per kWh</u>	n/a	0.944¢
<u>C&LM Adjustment per kWh</u>	n/a	0.230¢
<u>Rates for Standard Offer Service or Last Resort Service (Optional)</u>		
<u>Standard Offer per kWh</u>	n/a	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	n/a	per Last Resort Service tariff

* In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit.

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY

Effective
January 1, 2003

High Voltage Back-Up Service Rate (B-72)
High Voltage Delivery Service

R.I.P.U.C. No. 1133

Monthly Charge As Adjusted

	<u>Rates for</u> <u>Back-Up Service</u>	<u>Rates for</u> <u>Supplemental Service</u>
<u>Rates for High Voltage Delivery Service</u>		
<u>Customer Charge per month</u>	\$63.75	n/a
<u>Distribution Demand Charge per kW</u>	\$ 0.35	\$ 0.35
<u>Transmission Demand Charge per kW</u>	\$ 1.34	\$ 1.34
<u>Transmission Adjustment Factor per kWh</u>	0.107¢	0.107¢
<u>Distribution Energy Charge per kWh*</u> 0.396¢	0.396¢	
<u>Non-Bypassable Transition Charge per kWh</u>	n/a	0.944¢
<u>Conservation and Load Management Adjustment per kWh</u>	n/a	0.230¢

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	n/a per Standard Offer Service tariff
<u>Last Resort per kWh</u>	n/a per Last Resort Service tariff

* In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit.

**Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.**

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
Small C&I Rate (C-06)
Retail Delivery Service

Effective
January 1, 2003

R.I.P.U.C. No. 1134

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Customer Charge per month</u>	\$5.73
<u>Unmetered Charge per month</u>	\$1.83
<u>Non-Bypassable Transition Charge per kWh</u>	0.944¢
<u>Transmission Charge per kWh</u>	0.536¢
<u>Transmission Adjustment Factor per kWh</u>	0.107¢
<u>Distribution Charge per kWh*</u>	3.860¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢ (Eff. Jan 1, 1997)

Additional Delivery Rates for Blackstone Valley Zone

<u>Customer Charge Credit equal to the Maximum of</u>	(698 - billed kWh) x \$0.00338 or zero
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Additional Delivery Rates for Newport Zone

<u>Customer Charge Credit equal to the Maximum of</u>	(124 - billed kWh) x \$0.01844 or zero
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Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

* In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit.
Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
Residential Storage Heating Rate (E-30)
Retail Delivery Service

Effective
January 1, 2003

R.I.P.U.C. No. 1135

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Customer Charge per month</u>	\$7.54
<u>Non-Bypassable Transition Charge per kWh</u>	0.944¢
<u>Transmission Charge per kWh</u>	0.261¢
<u>Transmission Adjustment Factor per kWh</u>	0.107¢
<u>Distribution Charge per kWh*</u>	1.582¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢ (Eff. Jan. 1, 1997)

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

* In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit.

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
Storage Cooling Rate (E-40)
Retail Delivery Service

Effective
January 1, 2003

R.I.P.U.C. No. 1136

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Customer Charge per month</u>	\$75.15
<u>Non-Bypassable Transition Charge per kWh</u>	0.944¢
<u>Transmission Charge per kWh</u>	0.141¢
<u>Transmission Adjustment Factor per kWh</u>	0.107¢
<u>Distribution Charge per kWh*</u>	
Peak/Shoulder	2.536¢
Off Peak	0.949¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢ (Eff. Jan. 1, 1997)

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

* In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit.

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
General C&I Rate (G-02)
Retail Delivery Service

Effective
January 1, 2003

R.I.P.U.C. No. 1137

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Customer Charge per month</u>	\$103.41
<u>Transmission Charge per kW in excess of 10 kW</u>	\$1.40
<u>Distribution Charge per kW in excess of 10 kW</u>	\$2.91
<u>Non-Bypassable Transition Charge per kWh</u>	0.944¢
<u>Transmission Adjustment Factor per kWh</u>	0.107¢
<u>Distribution Charge per kWh*</u>	0.992¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢ (Eff. Jan. 1, 1997)

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

* In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit.

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
Limited Medium Secondary Voltage C&I Rate (G-22)
Retail Delivery Service

Effective
January 1, 2003

R.I.P.U.C. No. 1138

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Distribution Charge per kW</u>	\$1.50
<u>Non-Bypassable Transition Charge per kWh</u>	0.944¢
<u>Transmission Charge per kWh</u>	0.386¢
<u>Transmission Adjustment Factor per kWh</u>	0.107¢
<u>Distribution Charge per kWh*</u>	2.215¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢ (Eff. Jan. 1, 1997)

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

* In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit.

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
200 kW Demand Rate (G-32)
Retail Delivery Service

Effective
January 1, 2003

R.I.P.U.C. No. 1139

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Customer Charge per month</u>	\$236.43
<u>Transmission Charge per kW</u>	\$1.27
<u>Distribution Charge per kW</u>	\$1.56
<u>Non-Bypassable Transition Charge per kWh</u>	0.944¢
<u>Transmission Adjustment Factor per kWh</u>	0.107¢
<u>Distribution Charge per kWh*</u>	1.101¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢ (Eff. Jan. 1, 1997)

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per Wh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

* In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit.

**Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.**

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
3000 kW Demand Rate (G-62)
Retail Delivery Service

Effective
January 1, 2003

R.I.P.U.C. No. 1140

Monthly Charge As Adjusted

Rates for Retail Delivery Services

<u>Customer Charge per month</u>	\$17,118.72
<u>Transmission Charge per kW</u>	\$1.39
<u>Distribution Charge per kW</u>	\$0.75
<u>Non-Bypassable Transition Charge per kWh</u>	0.944¢
<u>Transmission Adjustment Factor per kWh</u>	0.107¢
<u>Distribution Charge per kWh*</u>	0.396¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢ (Eff. Jan. 1, 1997)

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

* In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit.

Tax Note: **The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.**

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY

Effective
January 1, 2003

High Voltage Rate (H-72)
High Voltage Delivery Service

R.I.P.U.C. No. 1141

Monthly Charge As Adjusted

Rates for High Voltage Delivery Service

<u>Customer Charge per month</u>	\$63.75
<u>Transmission Demand Charge per kW</u>	\$1.34
<u>Distribution Demand Charge per kW</u>	\$0.35
<u>Non-Bypassable Transition Charge per kWh</u>	0.944¢
<u>Transmission Adjustment Factor per kWh</u>	0.107¢
<u>Distribution Energy Charge per kWh*</u>	0.396¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢ (Eff. Jan. 1, 1997)

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

* In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit.

**Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.**

Other Rate Clauses apply as usual.

R.I.P.U.C. No. 1142

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Distribution Charge per kW</u>	\$5.52
<u>Distribution Charge per kVAR</u>	\$0.17
<u>Non-Bypassable Transition Charge per kWh</u>	0.944¢
<u>Transmission Charge per kWh</u>	0.408¢
<u>Transmission Adjustment Factor per kWh</u>	0.107¢
<u>Distribution Charge per kWh*</u>	0.574¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢ (Eff. Jan. 1, 1997)

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

* In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit.

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
Limited Traffic Signal Service (R-02)
Retail Delivery Service

Effective
January 1, 2003

R.I.P.U.C. No. 1143

Monthly Charge as Adjusted

Rates for Retail Delivery Service

<u>Non-Bypassable Transition Charge per kWh</u>	0.944¢
<u>Transmission Charge per kWh</u>	0.259¢
<u>Transmission Adjustment Factor per kWh</u>	0.107¢
<u>Distribution Charge per kWh*</u>	0.867¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢ (Eff. Jan. 1, 1997)

Rates for Standard Offer Service or Last Resort (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

* In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit. .

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY

Effective
January 1, 2003

Limited Service - Private Lighting (S-10)
Retail Delivery Service

R.I.P.U.C. No. 1144-A

Luminaire
Type/Lumens

<u>Incandescent</u>	<u>Code</u>	<u>Annual kWh</u>
1,000	10	440
<u>Mercury Vapor</u>		
8,000 Post Top	2	908
4,000	3	561
8,000	4	908
22,000	5	1,897
63,000	6	4,569
22,000 FL	23	1,897
63,000 FL	24	4,569
<u>Sodium Vapor</u>		
4,000	70	248
5,800	71	349
9,600	72	490
27,500	74	1,284
50,000	75	1,968
27,500 FL	77	1,284
50,000 FL	78	1,968
9,600 Post Top	79	490
27,500 (24 hr)	84	2,568

	<u>Narragansett</u> <u>Zone</u>	<u>Blackstone</u> <u>Zone</u>	<u>Newport</u> <u>Zone</u>
Non-Bypassable Transition Charge per kWh	0.944¢	0.944¢	0.944¢
Distribution Energy Charge per kWh*	0.396¢	0.396¢	0.396¢
Transmission Charge per kWh	0.259¢	0.259¢	0.259¢
Transmission Adjustment Factor per kWh	0.107¢	0.107¢	0.107¢
Conservation & Load Management Adjustment per kWh	0.230¢	0.230¢	0.230¢
Streetlight Credit per kWh	0.000¢	4.420¢	2.918¢

Plus Standard Offer per Standard Offer Service tariff (Optional)

Plus Last Resort per Last Resort Service tariff (Optional)

* In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit.

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable). However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY

Limited Street Lighting Service (S-12)
Retail Delivery Service

Effective
January 1, 2003

R.I.P.U.C. No. 1145-A

<u>Luminaire</u> <u>Type/Lumens</u>	<u>Code</u>	<u>Annual kWh</u>
<u>Incandescent</u>		
1,000	50, 10	440
2,500	11	845
<u>Mercury Vapor</u>		
4,000	3	561
8,000	4	908
8,000 (post top)	2	908
15,000	17, 18	1,874
22,000	5	1,897
22,000 (24 hr)	64	3,794
63,000	6	4,569
<u>Sodium Vapor</u>		
4,000	70, 710, 711, 750, 755, 756	248
5,800	71	349
9,600	72, 79	490
27,500	74	1,284
50,000	75	1,968
27,500 (24 hr)	84	2,568
50,000 (FL)	78	1,968

Non-Bypassable Transition Charge per kWh 0.944¢

Transmission Charge per kWh 0.259¢

Transmission Adjustment Factor per kWh 0.107¢

Distribution Energy Charge per kWh* 0.396¢

Conservation & Load Management Adjustment per kWh 0.230¢

Plus Standard Offer per Standard Offer Service tariff (Optional)

Plus Last Resort per Last Resort Service tariff (Optional)

* In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit.

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable). However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
General Streetlighting Service (S-14)
 Retail Delivery Service

Effective
 January 1, 2003

R.I.P.U.C. No. 1146-A

<u>Luminaire</u>		
<u>Type/Lumens</u>	<u>Code</u>	<u>Annual kWh</u>
<u>Incandescent</u>		
1,000	10	440
<u>Mercury Vapor</u>		
8,000 Post Top	02	908
4,000	03	561
8,000	04	908
22,000	05	1,897
63,000	06	4,569
<u>Sodium Vapor</u>		
4,000	70	248
5,800	71	349
9,600	72	490
27,500	74	1,284
50,000	75	1,968
27,500 (24 hr)	84	2,568
50,000 FL	78	1,968
9,600 Post Top	79	490

	<u>Narragansett</u> <u>Zone</u>	<u>Blackstone</u> <u>Zone</u>	<u>Newport</u> <u>Zone</u>
Non-Bypassable Transition Charge per kWh	0.944¢	0.944¢	0.944¢
Distribution Energy Charge per kWh	0.396¢	0.396¢	
Transmission Charge per kWh	0.259¢	0.259¢	0.259¢
Transmission Adjustment Factor per kWh	0.107¢	0.107¢	0.107¢
Conservation & Load Management Adj. Per kWh	0.230¢	0.230¢	0.230¢
Streetlight Credit per kWh	0.000¢	4.420¢	2.918¢
Plus Standard Offer	per Standard Offer Service tariff (Optional)		
Plus Last Resort	per Last Resort Service tariff (Optional)		

* In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit.

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable). However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
Limited Service All-Electric Living (T-06)
Retail Delivery Service

Effective
January 1, 2003

R.I.P.U.C. No. 1147

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Customer Charge per month</u>	\$7.84
<u>Non-Bypassable Transition Charge per kWh</u>	0.944¢
<u>Transmission Charge per kWh</u>	0.361¢
<u>Transmission Adjustment Factor per kWh</u>	0.107¢
<u>Distribution Charge per kWh*</u>	2.247¢
<u>Minimum Charge per month</u>	\$7.84
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢ (Eff. Jan. 1, 1997)

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

* In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit.

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
Limited Service - Business Space Heating (V-02)
Retail Delivery Service

Effective
January 1, 2003

R.I.P.U.C. No. 1148

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Customer Charge per month</u>	\$7.85
<u>Non-Bypassable Transition Charge per kWh</u>	0.944¢
<u>Transmission Charge per kWh</u>	0.547¢
<u>Transmission Adjustment Factor per kWh</u>	0.107¢
<u>Distribution Charge per kWh*</u>	3.038¢
<u>Minimum Charge per month</u>	\$7.85
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢ (Eff. Jan. 1, 1997)

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer or Last Resort per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

* In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit.

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY

Electric Propulsion Rate (X-01)
High Voltage Delivery Service

Effective
January 1, 2003

R.I.P.U.C. No. 1149

Monthly Charge As Adjusted

Rates for High Voltage Delivery Service

<u>Customer Charge per month</u>	\$10,000
<u>Transmission Demand Charge per kW</u>	\$1.34
<u>Non-Bypassable Transition Charge per kWh</u>	0.944¢
<u>Transmission Adjustment Factor per kWh</u>	0.107¢
<u>Distribution Energy Charge per kWh*</u>	0.396¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

In addition to base distribution charge, this charge also includes (0.038¢) per kWh for Rate Settlement credit.

**Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.**

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY

Station Power Delivery and Reliability Service Rate (M-1)
Retail Delivery Service

Effective
January 1, 2003

R.I.P.U.C. No. 1164

Rates for Station Power Delivery and Reliability Service

Eligible Customers must select one of the two rate Options A or B below:

Monthly Charges

OPTION A

<u>Distribution Delivery Service Charge</u>	\$3,500 per month
<u>Non-Bypassable Transition Charge</u>	Higher of: 0.988¢ per kWh or \$3,500
<u>Conservation and Load Management Charge</u>	Higher of 0.230¢ per kWh or \$800

OPTION B

<u>Distribution Delivery Service Charge</u>	\$3,500 per month
<u>Non-Bypassable Transition Charge</u>	0.988¢ per kWh
<u>Conservation and Load Management Charge</u>	0.230¢ per kWh

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.

THE NARRAGANSETT ELECTRIC COMPANY

Re: Rate Changes for January 1, 2003

Witness: Jeanne A. Lloyd

Exhibit JAL-11
Typical Bill Analysis

Date: 15-Nov-02

The Narragansett Electric Company

R.I.P.U.C. Docket No. _____

Time: 01:04 PM

Calculation of Monthly Typical Bill

Exhibit JAL-11

Comparison of Rates in Effect 12/31/02 v. 01/01/03

Page 1 of 23

Impact on A-16 Rate Customers

Monthly kWh	Rates in Effect 12/02			Rates in Effect 01/03			Increase/(Decrease)		Percent of Bills
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
120	\$15.03	\$5.83	\$9.20	\$15.17	\$5.83	\$9.34	\$0.14	0.9%	8%
240	\$27.42	\$11.66	\$15.76	\$27.70	\$11.66	\$16.04	\$0.28	1.0%	15%
500	\$54.24	\$24.28	\$29.96	\$54.84	\$24.28	\$30.56	\$0.60	1.1%	34%
700	\$74.88	\$33.99	\$40.89	\$75.71	\$33.99	\$41.72	\$0.83	1.1%	21%
950	\$100.68	\$46.13	\$54.55	\$101.81	\$46.13	\$55.68	\$1.13	1.1%	12%
1,000	\$105.84	\$48.56	\$57.28	\$107.03	\$48.56	\$58.47	\$1.19	1.1%	

Rates in Effect 12/02: A-16

Customer Charge		\$2.54
Transmission Energy Charge (1)	kWh x	\$0.00499
Distribution Energy Charge	kWh x	\$0.03680
Transition Energy Charge	kWh x	\$0.00874
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 01/03: A-16

Customer Charge		\$2.54
Transmission Energy Charge (2)	kWh x	\$0.00543
Distribution Energy Charge	kWh x	\$0.03680
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Note (1): Includes Transmission Adjustment Factor of \$.00063/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00107/kWh.

Date: 15-Nov-02

The Narragansett Electric Company

R.I.P.U.C. Docket No. _____

Time: 01:04 PM

Calculation of Monthly Typical Bill
Comparison of Rates in Effect 12/31/02 v. 01/01/03
Impact on A-18 Rate Customers

Exhibit JAL-11

Page 2 of 23

Monthly kWh	Rates in Effect 12/02			Rates in Effect 01/03			Increase/(Decrease)		Percent of Bills Waterheating	Percent of Bills Spaceheating
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total		
280	\$29.14	\$13.60	\$15.54	\$29.48	\$13.60	\$15.88	\$0.34	1.2%	9%	4%
550	\$54.71	\$26.71	\$28.00	\$55.36	\$26.71	\$28.65	\$0.65	1.2%	21%	6%
1,100	\$109.20	\$53.42	\$55.78	\$110.51	\$53.42	\$57.09	\$1.31	1.2%	46%	22%
1,650	\$165.08	\$80.13	\$84.95	\$167.03	\$80.13	\$86.90	\$1.95	1.2%	17%	23%
2,200	\$220.95	\$106.84	\$114.11	\$223.56	\$106.84	\$116.72	\$2.61	1.2%	4%	18%

Rates in Effect 12/02: A-18Rates in Effect 01/03: A-18

Customer Charge		\$2.52
Transmission Energy Charge (1)	kWh x	\$0.00450
Distribution Energy Charge	kWh x	\$0.03574
Transition Energy Charge	kWh x	\$0.00874
Credit for 1st 750 kWh	kWh x	-\$0.00661
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Customer Charge		\$2.52
Transmission Energy Charge (2)	kWh x	\$0.00494
Distribution Energy Charge	kWh x	\$0.03574
Transition Energy Charge	kWh x	\$0.00944
Credit for 1st 750 kWh	kWh x	-\$0.00661
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Standard Offer Charge kWh x \$0.04662

Note (1): Includes Transmission Adjustment Factor of \$.00063/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00107/kWh.

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Rates in Effect 12/31/02 v. 01/01/03
Impact on A-32 Rate Customers

Monthly kWh	Rates in Effect 12/02			Rates in Effect 01/03			Increase/(Decrease)	
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
2,000	\$189.92	\$97.13	\$92.79	\$192.30	\$97.13	\$95.17	\$2.38	1.3%
2,500	\$235.64	\$121.41	\$114.23	\$238.61	\$121.41	\$117.20	\$2.97	1.3%
3,000	\$281.37	\$145.69	\$135.68	\$284.93	\$145.69	\$139.24	\$3.56	1.3%
4,000	\$372.81	\$194.25	\$178.56	\$377.56	\$194.25	\$183.31	\$4.75	1.3%
5,000	\$464.26	\$242.81	\$221.45	\$470.20	\$242.81	\$227.39	\$5.94	1.3%

Rates in Effect 12/02: A-32

Customer Charge		\$2.30
Meter Charge		\$4.44
Transmission Energy Charge (1)	kWh x	\$0.00455
Distribution Energy Charge	kWh x	\$0.02596
Transition Energy Charge	kWh x	\$0.00874
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge \$0.04662

Rates in Effect 01/03: A-32

Customer Charge		\$2.30
Meter Charge		\$4.44
Transmission Energy Charge (2)	kWh x	\$0.00499
Distribution Energy Charge	kWh x	\$0.02596
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Note (1): Includes Transmission Adjustment Factor of \$.00063/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00107/kWh.

Date: 15-Nov-02

The Narragansett Electric Company

R.I.P.U.C. Docket No. _____

Time: 01:04 PM

Calculation of Monthly Typical Bill

Exhibit JAL-11

Comparison of Rates in Effect 12/31/02 v. 01/01/03

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Impact on A-60 Rate Customers

Without Control Credit for Water Heater

Monthly kWh	Rates in Effect 12/02			Rates in Effect 01/03			Increase/(Decrease)		Percent of Bills
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
95	\$8.40	\$4.61	\$3.79	\$8.51	\$4.61	\$3.90	\$0.11	1.3%	6.0%
190	\$16.81	\$9.23	\$7.58	\$17.03	\$9.23	\$7.80	\$0.22	1.3%	22.0%
380	\$33.61	\$18.45	\$15.16	\$34.06	\$18.45	\$15.61	\$0.45	1.3%	39.0%
550	\$48.65	\$26.71	\$21.94	\$49.30	\$26.71	\$22.59	\$0.65	1.3%	16.0%
750	\$66.33	\$36.42	\$29.91	\$67.22	\$36.42	\$30.80	\$0.89	1.3%	9.0%

Rates in Effect 12/02: A-60

Customer Charge		\$0.00
Transmission Energy Charge (1)	kWh x	\$0.00401
Distribution Energy Charge	kWh x	\$0.02589
Transition Energy Charge	kWh x	\$0.00874
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
FAS 106 Adjustment, & Settlement Cr.	kWh x	-\$0.00038
A-60 Rate Credit	kWh x	-\$0.00227

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 01/03: A-60

Customer Charge		\$0.00
Transmission Energy Charge (2)	kWh x	\$0.00445
Distribution Energy Charge	kWh x	\$0.02589
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038
A-60 Rate Credit	kWh x	-\$0.00227

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Note (1): Includes Transmission Adjustment Factor of \$.00063/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00107/kWh.

Date: 15-Nov-02

The Narragansett Electric Company

R.I.P.U.C. Docket No. _____

Time: 01:04 PM

Calculation of Monthly Typical Bill

Exhibit JAL-11

Comparison of Rates in Effect 12/31/02 v. 01/01/03

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Impact on A-60 Rate Customers

With Control Credit for Water Heater

Monthly kWh	Rates in Effect 12/02			Rates in Effect 01/03			Difference		Percent of Bills
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
95	\$7.75	\$4.61	\$3.14	\$7.86	\$4.61	\$3.25	\$0.11	1.4%	6.0%
190	\$15.50	\$9.23	\$6.27	\$15.73	\$9.23	\$6.50	\$0.23	1.5%	22.0%
380	\$30.99	\$18.45	\$12.54	\$31.44	\$18.45	\$12.99	\$0.45	1.5%	39.0%
550	\$44.86	\$26.71	\$18.15	\$45.51	\$26.71	\$18.80	\$0.65	1.4%	16.0%
750	\$61.17	\$36.42	\$24.75	\$62.06	\$36.42	\$25.64	\$0.89	1.5%	9.0%

Rates in Effect 12/02: A-60

Customer Charge		\$0.00
Transmission Energy Charge (1)	kWh x	\$0.00401
Distribution Energy Charge	kWh x	\$0.02589
Transition Energy Charge	kWh x	\$0.00874
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
FAS 106 Adjustment, & Settlement Cr.	kWh x	-\$0.00038
A-60 Rate Credit	kWh x	-\$0.00227
Credit for 1st 750 kWh	kWh x	-\$0.00661

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 01/03: A-60

Customer Charge		\$0.00
Transmission Energy Charge (2)	kWh x	\$0.00445
Distribution Energy Charge	kWh x	\$0.02589
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038
A-60 Rate Credit	kWh x	-\$0.00227
Credit for 1st 750 kWh	kWh x	-\$0.00661

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Note (1): Includes Transmission Adjustment Factor of \$.00063/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00107/kWh.

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Rates in Effect 12/31/02 v. 01/01/03
Impact on C-06 Rate Customers

Monthly kWh	Rates in Effect 12/02			Rates in Effect 01/03			Increase/(Decrease)		Percent of Bills
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
255	\$33.13	\$12.38	\$20.75	\$33.43	\$12.38	\$21.05	\$0.30	0.9%	28%
500	\$59.22	\$24.28	\$34.94	\$59.82	\$24.28	\$35.54	\$0.60	1.0%	16%
1,000	\$112.48	\$48.56	\$63.92	\$113.66	\$48.56	\$65.10	\$1.18	1.0%	21%
1,550	\$171.06	\$75.27	\$95.79	\$172.90	\$75.27	\$97.63	\$1.84	1.1%	13%
2,000	\$218.99	\$97.13	\$121.86	\$221.37	\$97.13	\$124.24	\$2.38	1.1%	6%

Rates in Effect 12/02: C-06

Customer Charge		\$5.73
Transmission Energy Charge (1)	kWh x	\$0.00599
Distribution Energy Charge	kWh x	\$0.03898
Transition Energy Charge	kWh x	\$0.00874
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 01/03: C-06

Customer Charge		\$5.73
Transmission Energy Charge (2)	kWh x	\$0.00643
Distribution Energy Charge	kWh x	\$0.03898
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Note (1): Includes Transmission Adjustment Factor of \$.00063/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00107/kWh.

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Rates in Effect 12/31/02 v. 01/01/03
Impact on G-02 Rate Customers

Hours Use: 200

Monthly Power		Rates in Effect 12/02			Rates in Effect 01/03			Increase/(Decrease)		Percent of Bills
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
20	4,000	\$436.82	\$194.25	\$242.57	\$441.57	\$194.25	\$247.32	\$4.75	1.1%	20%
50	10,000	\$997.83	\$485.63	\$512.20	\$1,009.70	\$485.63	\$524.07	\$11.87	1.2%	49%
100	20,000	\$1,932.82	\$971.25	\$961.57	\$1,956.57	\$971.25	\$985.32	\$23.75	1.2%	20%
150	30,000	\$2,867.83	\$1,456.88	\$1,410.95	\$2,903.45	\$1,456.88	\$1,446.57	\$35.62	1.2%	8%

Rates in Effect 12/02: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00874
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 01/03: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00107
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Rates in Effect 12/31/02 v. 01/01/03
Impact on G-02 Rate Customers

Hours Use: 300

Monthly Power		Rates in Effect 12/02			Rates in Effect 01/03			Increase/(Decrease)		Percent of Bills
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
20	6,000	\$578.93	\$291.38	\$287.55	\$586.06	\$291.38	\$294.68	\$7.13	1.2%	20%
50	15,000	\$1,353.09	\$728.44	\$624.65	\$1,370.90	\$728.44	\$642.46	\$17.81	1.3%	49%
100	30,000	\$2,643.35	\$1,456.88	\$1,186.47	\$2,678.97	\$1,456.88	\$1,222.09	\$35.62	1.3%	20%
150	45,000	\$3,933.60	\$2,185.31	\$1,748.29	\$3,987.04	\$2,185.31	\$1,801.73	\$53.44	1.4%	8%

Rates in Effect 12/02: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00874
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 01/03: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00107
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Rates in Effect 12/31/02 v. 01/01/03
Impact on G-02 Rate Customers

Hours Use: 400

Monthly Power		Rates in Effect 12/02			Rates in Effect 01/03			Increase/(Decrease)		Percent of Bills
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
20	8,000	\$721.03	\$388.50	\$332.53	\$730.53	\$388.50	\$342.03	\$9.50	1.3%	20%
50	20,000	\$1,708.34	\$971.25	\$737.09	\$1,732.09	\$971.25	\$760.84	\$23.75	1.4%	49%
100	40,000	\$3,353.86	\$1,942.50	\$1,411.36	\$3,401.36	\$1,942.50	\$1,458.86	\$47.50	1.4%	20%
150	60,000	\$4,999.39	\$2,913.75	\$2,085.64	\$5,070.64	\$2,913.75	\$2,156.89	\$71.25	1.4%	8%

Rates in Effect 12/02: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00874
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 01/03: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00107
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Rates in Effect 12/31/02 v. 01/01/03
Impact on G-02 Rate Customers

Hours Use: 500

Monthly Power		Rates in Effect 12/02			Rates in Effect 01/03			Increase/(Decrease)		Percent of Bills
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
20	10,000	\$863.14	\$485.63	\$377.51	\$875.02	\$485.63	\$389.39	\$11.88	1.4%	20%
50	25,000	\$2,063.60	\$1,214.06	\$849.54	\$2,093.29	\$1,214.06	\$879.23	\$29.69	1.4%	49%
100	50,000	\$4,064.39	\$2,428.13	\$1,636.26	\$4,123.77	\$2,428.13	\$1,695.64	\$59.38	1.5%	20%
150	75,000	\$6,065.17	\$3,642.19	\$2,422.98	\$6,154.23	\$3,642.19	\$2,512.04	\$89.06	1.5%	8%

Rates in Effect 12/02: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00874
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 01/03: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00107
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Rates in Effect 12/31/02 v. 01/01/03
Impact on G-02 Rate Customers

Hours Use: 600

Monthly Power		Rates in Effect 12/02			Rates in Effect 01/03			Increase/(Decrease)		Percent of Bills
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
20	12,000	\$1,005.24	\$582.75	\$422.49	\$1,019.49	\$582.75	\$436.74	\$14.25	1.4%	20%
50	30,000	\$2,418.87	\$1,456.88	\$961.99	\$2,454.49	\$1,456.88	\$997.61	\$35.62	1.5%	49%
100	60,000	\$4,774.91	\$2,913.75	\$1,861.16	\$4,846.16	\$2,913.75	\$1,932.41	\$71.25	1.5%	20%
150	90,000	\$7,130.95	\$4,370.63	\$2,760.32	\$7,237.83	\$4,370.63	\$2,867.20	\$106.88	1.5%	8%

Rates in Effect 12/02: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00874
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 01/03: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00107
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

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The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Rates in Effect 12/31/02 v. 01/01/03
Impact on G-32 Rate Customers

The Narragansett Electric Company

R.I.P.U.C. Docket No. _____

Exhibit JAL-11

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Hours Use: 200

Monthly Power		Rates in Effect 12/02			Rates in Effect 01/03			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
500	100,000	\$8,938.99	\$4,856.25	\$4,082.74	\$9,057.74	\$4,856.25	\$4,201.49	\$118.75	1.3%
1,000	200,000	\$17,631.70	\$9,712.50	\$7,919.20	\$17,869.20	\$9,712.50	\$8,156.70	\$237.50	1.3%
1,500	300,000	\$26,324.41	\$14,568.75	\$11,755.66	\$26,680.66	\$14,568.75	\$12,111.91	\$356.25	1.4%
2,000	400,000	\$35,017.11	\$19,425.00	\$15,592.11	\$35,492.11	\$19,425.00	\$16,067.11	\$475.00	1.4%
2,500	500,000	\$43,709.82	\$24,281.25	\$19,428.57	\$44,303.57	\$24,281.25	\$20,022.32	\$593.75	1.4%

Rates in Effect 12/02: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00874
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 01/03: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00107
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Rates in Effect 12/31/02 v. 01/01/03
Impact on G-32 Rate Customers

Hours Use: 300

Monthly Power		Rates in Effect 12/02			Rates in Effect 01/03			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
500	150,000	\$12,548.37	\$7,284.38	\$5,263.99	\$12,726.49	\$7,284.38	\$5,442.11	\$178.12	1.4%
1,000	300,000	\$24,850.45	\$14,568.75	\$10,281.70	\$25,206.70	\$14,568.75	\$10,637.95	\$356.25	1.4%
1,500	450,000	\$37,152.54	\$21,853.13	\$15,299.41	\$37,686.91	\$21,853.13	\$15,833.78	\$534.37	1.4%
2,000	600,000	\$49,454.61	\$29,137.50	\$20,317.11	\$50,167.11	\$29,137.50	\$21,029.61	\$712.50	1.4%
2,500	750,000	\$61,756.70	\$36,421.88	\$25,334.82	\$62,647.33	\$36,421.88	\$26,225.45	\$890.63	1.4%

Rates in Effect 12/02: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00874
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 01/03: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00107
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Rates in Effect 12/31/02 v. 01/01/03
Impact on G-32 Rate Customers

Hours Use: 400

Monthly Power		Rates in Effect 12/02			Rates in Effect 01/03			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
500	200,000	\$16,157.74	\$9,712.50	\$6,445.24	\$16,395.24	\$9,712.50	\$6,682.74	\$237.50	1.5%
1,000	400,000	\$32,069.20	\$19,425.00	\$12,644.20	\$32,544.20	\$19,425.00	\$13,119.20	\$475.00	1.5%
1,500	600,000	\$47,980.66	\$29,137.50	\$18,843.16	\$48,693.16	\$29,137.50	\$19,555.66	\$712.50	1.5%
2,000	800,000	\$63,892.11	\$38,850.00	\$25,042.11	\$64,842.11	\$38,850.00	\$25,992.11	\$950.00	1.5%
2,500	1,000,000	\$79,803.57	\$48,562.50	\$31,241.07	\$80,991.07	\$48,562.50	\$32,428.57	\$1,187.50	1.5%

Rates in Effect 12/02: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00874
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 01/03: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00107
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Rates in Effect 12/31/02 v. 01/01/03
Impact on G-32 Rate Customers

Hours Use: 500

Monthly Power		Rates in Effect 12/02			Rates in Effect 01/03			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
500	250,000	\$19,767.12	\$12,140.63	\$7,626.49	\$20,063.99	\$12,140.63	\$7,923.36	\$296.87	1.5%
1,000	500,000	\$39,287.95	\$24,281.25	\$15,006.70	\$39,881.70	\$24,281.25	\$15,600.45	\$593.75	1.5%
1,500	750,000	\$58,808.79	\$36,421.88	\$22,386.91	\$59,699.41	\$36,421.88	\$23,277.53	\$890.62	1.5%
2,000	1,000,000	\$78,329.61	\$48,562.50	\$29,767.11	\$79,517.11	\$48,562.50	\$30,954.61	\$1,187.50	1.5%
2,500	1,250,000	\$97,850.45	\$60,703.13	\$37,147.32	\$99,334.83	\$60,703.13	\$38,631.70	\$1,484.38	1.5%

Rates in Effect 12/02: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00874
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 01/03: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00107
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Rates in Effect 12/31/02 v. 01/01/03
Impact on G-32 Rate Customers

Hours Use: 600

Monthly Power		Rates in Effect 12/02			Rates in Effect 01/03			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
500	300,000	\$23,376.49	\$14,568.75	\$8,807.74	\$23,732.74	\$14,568.75	\$9,163.99	\$356.25	1.5%
1,000	600,000	\$46,506.70	\$29,137.50	\$17,369.20	\$47,219.20	\$29,137.50	\$18,081.70	\$712.50	1.5%
1,500	900,000	\$69,636.91	\$43,706.25	\$25,930.66	\$70,705.66	\$43,706.25	\$26,999.41	\$1,068.75	1.5%
2,000	1,200,000	\$92,767.11	\$58,275.00	\$34,492.11	\$94,192.11	\$58,275.00	\$35,917.11	\$1,425.00	1.5%
2,500	1,500,000	\$115,897.32	\$72,843.75	\$43,053.57	\$117,678.57	\$72,843.75	\$44,834.82	\$1,781.25	1.5%

Rates in Effect 12/02: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00874
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 01/03: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00107
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Rates in Effect 12/31/02 v. 01/01/03
Impact on G-62 Rate Customers

Hours Use: 200

Monthly Power		Rates in Effect 12/02			Rates in Effect 01/03			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
3,000	600,000	\$63,425.75	\$29,137.50	\$34,288.25	\$64,138.25	\$29,137.50	\$35,000.75	\$712.50	1.1%
4,000	800,000	\$78,623.67	\$38,850.00	\$39,773.67	\$79,573.67	\$38,850.00	\$40,723.67	\$950.00	1.2%
5,000	1,000,000	\$93,821.58	\$48,562.50	\$45,259.08	\$95,009.08	\$48,562.50	\$46,446.58	\$1,187.50	1.3%
6,000	1,200,000	\$109,019.50	\$58,275.00	\$50,744.50	\$110,444.50	\$58,275.00	\$52,169.50	\$1,425.00	1.3%
7,000	1,400,000	\$124,217.42	\$67,987.50	\$56,229.92	\$125,879.92	\$67,987.50	\$57,892.42	\$1,662.50	1.3%

Rates in Effect 12/02: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00874
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 01/03: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00107
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Rates in Effect 12/31/02 v. 01/01/03
Impact on G-62 Rate Customers

Hours Use: 300

Monthly Power		Rates in Effect 12/02			Rates in Effect 01/03			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
3,000	900,000	\$82,878.88	\$43,706.25	\$39,172.63	\$83,947.63	\$43,706.25	\$40,241.38	\$1,068.75	1.3%
4,000	1,200,000	\$104,561.17	\$58,275.00	\$46,286.17	\$105,986.17	\$58,275.00	\$47,711.17	\$1,425.00	1.4%
5,000	1,500,000	\$126,243.46	\$72,843.75	\$53,399.71	\$128,024.71	\$72,843.75	\$55,180.96	\$1,781.25	1.4%
6,000	1,800,000	\$147,925.75	\$87,412.50	\$60,513.25	\$150,063.25	\$87,412.50	\$62,650.75	\$2,137.50	1.4%
7,000	2,100,000	\$169,608.04	\$101,981.25	\$67,626.79	\$172,101.79	\$101,981.25	\$70,120.54	\$2,493.75	1.5%

Rates in Effect 12/02: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00874
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 01/03: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00107
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Rates in Effect 12/31/02 v. 01/01/03
Impact on G-62 Rate Customers

Hours Use: 400

Monthly Power		Rates in Effect 12/02			Rates in Effect 01/03			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
3,000	1,200,000	\$102,332.00	\$58,275.00	\$44,057.00	\$103,757.00	\$58,275.00	\$45,482.00	\$1,425.00	1.4%
4,000	1,600,000	\$130,498.67	\$77,700.00	\$52,798.67	\$132,398.67	\$77,700.00	\$54,698.67	\$1,900.00	1.5%
5,000	2,000,000	\$158,665.33	\$97,125.00	\$61,540.33	\$161,040.33	\$97,125.00	\$63,915.33	\$2,375.00	1.5%
6,000	2,400,000	\$186,832.00	\$116,550.00	\$70,282.00	\$189,682.00	\$116,550.00	\$73,132.00	\$2,850.00	1.5%
7,000	2,800,000	\$214,998.67	\$135,975.00	\$79,023.67	\$218,323.67	\$135,975.00	\$82,348.67	\$3,325.00	1.5%

Rates in Effect 12/02: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00874
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 01/03: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00107
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Rates in Effect 12/31/02 v. 01/01/03
Impact on G-62 Rate Customers

Hours Use: 500

Monthly Power		Rates in Effect 12/02			Rates in Effect 01/03			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
3,000	1,500,000	\$121,785.13	\$72,843.75	\$48,941.38	\$123,566.38	\$72,843.75	\$50,722.63	\$1,781.25	1.5%
4,000	2,000,000	\$156,436.17	\$97,125.00	\$59,311.17	\$158,811.17	\$97,125.00	\$61,686.17	\$2,375.00	1.5%
5,000	2,500,000	\$191,087.21	\$121,406.25	\$69,680.96	\$194,055.96	\$121,406.25	\$72,649.71	\$2,968.75	1.6%
6,000	3,000,000	\$225,738.25	\$145,687.50	\$80,050.75	\$229,300.75	\$145,687.50	\$83,613.25	\$3,562.50	1.6%
7,000	3,500,000	\$260,389.29	\$169,968.75	\$90,420.54	\$264,545.54	\$169,968.75	\$94,576.79	\$4,156.25	1.6%

Rates in Effect 12/02: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00874
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 01/03: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00107
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Rates in Effect 12/31/02 v. 01/01/03
Impact on G-62 Rate Customers

Hours Use: 600

Monthly Power		Rates in Effect 12/02			Rates in Effect 01/03			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
3,000	1,800,000	\$141,238.25	\$87,412.50	\$53,825.75	\$143,375.75	\$87,412.50	\$55,963.25	\$2,137.50	1.5%
4,000	2,400,000	\$182,373.67	\$116,550.00	\$65,823.67	\$185,223.67	\$116,550.00	\$68,673.67	\$2,850.00	1.6%
5,000	3,000,000	\$223,509.08	\$145,687.50	\$77,821.58	\$227,071.58	\$145,687.50	\$81,384.08	\$3,562.50	1.6%
6,000	3,600,000	\$264,644.50	\$174,825.00	\$89,819.50	\$268,919.50	\$174,825.00	\$94,094.50	\$4,275.00	1.6%
7,000	4,200,000	\$305,779.92	\$203,962.50	\$101,817.42	\$310,767.42	\$203,962.50	\$106,804.92	\$4,987.50	1.6%

Rates in Effect 12/02: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00874
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 01/03: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00107
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.04662

The Narragansett Electric Company

R.I.P.U.C. Docket No. _____

Calculation of Monthly Typical Bill

Exhibit JAL-11

Comparison of Rates in Effect 12/31/02 v. 01/01/03

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Impact on T-06 Rate Customers

Monthly kWh	Rates in Effect 12/02			Rates in Effect 01/03			Increase/(Decrease)		Percent of Bills
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
1,800	\$166.36	\$87.41	\$78.95	\$168.50	\$87.41	\$81.09	\$2.14	1.3%	47%
3,600	\$324.56	\$174.83	\$149.73	\$328.83	\$174.83	\$154.00	\$4.27	1.3%	12%
7,000	\$623.37	\$339.94	\$283.43	\$631.68	\$339.94	\$291.74	\$8.31	1.3%	8%
11,000	\$974.91	\$534.19	\$440.72	\$987.97	\$534.19	\$453.78	\$13.06	1.3%	10%
14,000	\$1,238.57	\$679.88	\$558.69	\$1,255.19	\$679.88	\$575.31	\$16.62	1.3%	3%
20,000	\$1,765.88	\$971.25	\$794.63	\$1,789.63	\$971.25	\$818.38	\$23.75	1.3%	20%

Rates in Effect 12/02: T-06

Customer Charge		\$7.84
Transmission Energy Charge (1)	kWh x	\$0.00424
Distribution Energy Charge	kWh x	\$0.02285
Transition Energy Charge	kWh x	\$0.00874
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 01/03: T-06

Customer Charge		\$7.84
Transmission Energy Charge (2)	kWh x	\$0.00468
Distribution Energy Charge	kWh x	\$0.02285
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Note (1): Includes Transmission Adjustment Factor of \$.00063/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00107/kWh.

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Comparison of Rates in Effect 12/31/02 v. 01/01/03
Impact on V-02 Rate Customers

Hours Use: 300

Monthly Usage			Rates in Effect 12/02			Rates in Effect 01/03			Increase/(Decrease)		Percent of Bills
kWh		kW	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
3,000	10		\$302.37	\$145.69	\$156.68	\$305.93	\$145.69	\$160.24	\$3.56	1.2%	24%
6,000	20		\$596.56	\$291.38	\$305.18	\$603.68	\$291.38	\$312.30	\$7.12	1.2%	42%
15,000	50		\$1,479.12	\$728.44	\$750.68	\$1,496.93	\$728.44	\$768.49	\$17.81	1.2%	25%
30,000	100		\$2,950.06	\$1,456.88	\$1,493.18	\$2,985.68	\$1,456.88	\$1,528.80	\$35.62	1.2%	6%
45,000	150		\$4,420.99	\$2,185.31	\$2,235.68	\$4,474.42	\$2,185.31	\$2,289.11	\$53.43	1.2%	3%

Rates in Effect 12/02: V-02

Customer Charge		\$7.85
Transmission Energy Charge (1)	kWh x	\$0.00610
Distribution Energy Charge	kWh x	\$0.03076
Transition Energy Charge	kWh x	\$0.00874
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Rates in Effect 01/03: V-02

Customer Charge		\$7.85
Transmission Energy Charge (2)	kWh x	\$0.00654
Distribution Energy Charge	kWh x	\$0.03076
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
S.O. Adj.	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.04662

Note (1): Includes Transmission Adjustment Factor of \$.00063/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00107/kWh.

THE NARRAGANSETT ELECTRIC COMPANY
R.I.P.U.C. Docket
Witness: Hager

DIRECT TESTIMONY
OF
MICHAEL J. HAGER

1 **I. Introduction**

2 Q. Please state your name and business address.

3 A. Michael J. Hager, 55 Bearfoot Road, Northborough, Massachusetts 01532.

4
5 Q. Please state your position.

6 A. I am the Director, Energy Supply - NE for National Grid USA Service Company. I am
7 responsible for, among other things, all power procurement and related activities for the
8 distribution companies of National Grid USA (formerly the New England Electric

9 System) including The Narragansett Electric Company ("Narragansett" or "Company").

10 These activities include the procurement of power for Standard Offer Service and Last
11 Resort Service.

12
13 Q. Will you describe your educational background and training?

14 A. In 1982, I graduated from the University of Hartford with a Bachelor of Science degree in
15 Mechanical Engineering. In 1986, I received a Master of Science degree in Mechanical
16 Engineering from Northeastern University. I am a Licensed Professional Engineer in the
17 Commonwealth of Massachusetts.

1 Q. What is your professional background?

2 A. From 1982 to 1992, I was employed by New England Power Service Company in various
3 engineering positions. In these positions, I provided support to New England Power
4 Company's ("NEP") thermal and hydroelectric generating plants with overall
5 responsibility for the management and control of studies and projects from initiation to
6 completion.

7
8 From 1992 to 1997, I was employed by NEP where I conducted wholesale and retail
9 power marketing activities involving the sale and purchase of generation resources to and
10 from investor-owned utilities, municipalities, independent power producers, government
11 agencies, brokers, marketers, and end-use retail customers.

12
13 In June 1997, I was promoted to the position of Standard Offer Portfolio Manager for
14 New England Power Service Company (now National Grid USA Service Company). In
15 November 2000, my title was changed to Manager, Distribution Energy Services to more
16 fully reflect the scope of work performed by my department.

17
18 In April 2002, I was promoted to the position of Director, Energy Supply – NE.
19

1 Q. Have you previously testified before the Commission?

2 A. Yes.

3

4 **II. Purpose of Testimony**

5 Q. What is the purpose of your testimony?

6 A. The purpose of my testimony is to (i) provide an estimate of the costs Narragansett
7 expects to incur under its Standard Offer supply contracts for the period January 2003
8 through December 2004, (ii) provide an update on the status of the dispute resolution
9 with one of the Company's Standard Offer suppliers and (iii) explain the effect on the
10 Company's congestion cost payments resulting from the implementation of the proposed
11 NEPOOL Standard Market Design ("SMD") system.

12

13 **III. Description of Fuel Index Adjustment Provision**

14 Q. What are the Company's current arrangements for procurement of Standard Offer
15 Service?

16 A. The Company has contracts with USGen New England, TransCanada Power Marketing
17 and Constellation Power Source, to serve the load within its pre-merger service territory
18 ("Narragansett Zone"). The Company also has contracts with TransCanada Power
19 Marketing, Constellation Power Source and NRG Power Marketing to serve the load

THE NARRAGANSETT ELECTRIC COMPANY

Re: Rate Changes for January 1, 2003

Witness: Hager

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1 within the service territory of the former Blackstone Valley Electric Company and
2 Newport Electric Company ("EUA Zone"). All of the Company's contracts run through
3 December 31, 2009.
4

5 Q. Please describe the costs that Narragansett incurs under the Standard Offer supply
6 contracts.

7 A. The Standard Offer supply contracts contain two price components – a base price and a
8 fuel index adjustment provision.
9

10 Q. What are the base prices for the period January 2003 through December 2004?

11 A. The base prices are 4.7 ¢/kWh for calendar year 2003 and 5.1 ¢/kWh for calendar year
12 2004.
13

14 Q. Can you describe the fuel index adjustment provision that is contained in the Standard
15 Offer contracts?

16 A. Yes. The Company's contracts with its Standard Offer suppliers contain a fuel index
17 adjustment provision that provides additional payments to those suppliers in the event of
18 substantial increases in the market price of No. 6 residual fuel oil (1% sulphur) and
19 natural gas. In short, the provision compares the sum of the six-month and twelve-month

1 rolling average of oil and gas prices to a preset trigger point. (The six-month rolling
2 average is used for Standard Offer load in the EUA Zone while the twelve-month rolling
3 average is used for Standard Offer load in the Narragansett Zone.) If the sum of the fuel
4 index values exceeds the trigger point in a given month then the Company makes
5 additional payments to the suppliers in that month. If the sum of the fuel index values is
6 less than or equal to the trigger point in a given month, no additional payments are made
7 in that month. Comparisons are made each month and thus payments may be made in
8 some months and not in others. The text of the fuel index adjustment provision that is
9 applicable to each of the Standard Offer contracts is provided as Exhibit MJH-1.

10
11 **IV. Fuel Index Estimate for the Period January 2003 through December 2004**

12 Q. Has the Company conducted an estimate of expected costs under the fuel index
13 adjustment provisions for the period January 2003 through December 2004?

14 A. Yes. The Company has estimated its expected costs under the fuel index adjustment
15 provisions in the same manner as its September 2000, December 2000, March 2001,
16 August 2001 and December 2001 estimates but used average gas and crude oil prices as
17 reported in The Wall Street Journal on October 28, 2002, October 29, 2002 and October
18 30, 2002.

THE NARRAGANSETT ELECTRIC COMPANY

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1 Q. What gas and oil prices were used in the current estimate?

2 A. Exhibit MJH-2 provides the gas and oil values used in the analysis.

3

4 Q. What were the resulting fuel index trigger payments?

5 A. Exhibit MJH-3 provides the resulting fuel index adjustment payments from the analysis.

6 The analysis shows that the Company would pay an arithmetic average fuel index

7 adjustment payment for the period January 2003 through December 2003 of 0.333 ¢/kWh

8 for the Narragansett Zone load and would pay an arithmetic average fuel index

9 adjustment payment for the same period of 0.353 ¢/kWh for the EUA Zone load. This

10 equates to a total Standard Offer cost of 5.033 ¢/kWh and 5.053 ¢/kWh, respectively.

11

12 For the period January 2004 through December 2004, the current analysis shows that the

13 Company would make no fuel index adjustment payments for either the Narragansett or

14 the EUA Zone loads. Thus the total cost would be 5.100 ¢/kWh for the period.

15

16 Q. How do these costs compare to current market costs for power?

17 A. The Company's market cost proxy for comparable service is the cost it incurs to procure

18 its Last Resort Service requirements or the cost its affiliates incur to procure their Default

19 Service requirements. In August 2002, the Company procured Last Resort Service for the

1 period September 2002 through February 2003 at an arithmetic average rate of 4.307
2 ¢/kWh and for the period March 2003 through August 2003 at 5.429 ¢/kWh. In
3 September 2002, the Company's affiliate in Massachusetts procured its Default Service
4 requirements for the period November 2002 through April 2003 at an arithmetic average
5 rate of 5.081 ¢/kWh for residential customers 4.993 ¢/kWh for small commercial
6 customers and 4.973 ¢/kWh for industrial customers,

7
8 Q. Can you provide the details of the current calculations?

9 A. Yes. Detailed calculations are provided in Exhibit MJH-4.

10
11 **V. Status of Dispute Resolution**

12 Q. Is Narragansett still disputing costs billed to it from its Standard Offer suppliers?

13 A. Yes. As stated in prior proceedings, two of Narragansett's Standard Offer suppliers
14 contend that they are not responsible for certain costs billed to them by ISO New England
15 that are associated with their provision of Standard Offer service. To ensure that the two
16 suppliers continue to provide service, Narragansett agreed to have ISO New England bill
17 it for such disputed costs until such time as a final resolution of the dispute is reached
18 pursuant to the dispute resolution process provided for in the supply contracts.

1 Q. When will the dispute be finally resolved?

2 A. Narragansett anticipates that the formal dispute resolution process with one supplier will
3 be completed in mid-2003. Narragansett will pursue appropriate actions against the
4 second supplier at the appropriate time.
5

6 **VI. Effect of NEPOOL Standard Market Design on Congestion Costs**

7 Q. When will NEPOOL implement its proposed SMD system?

8 A. The NEPOOL SMD system is presently targeted to begin March 1, 2003. The actual start
9 date is subject to final rules being approved by FERC and the successful deployment of
10 the market system software by ISO New England. ISO New England has indicated that it
11 expects to meet the March 1, 2003 "Go-Live" date provided that FERC does not require
12 any substantive changes to the market system rules currently pending before it.
13

14 Q. Will congestion costs be allocated differently under the proposed SMD system then they
15 are currently allocated?

16 A. Yes. Under the current market system rules, congestion costs are allocated to all
17 NEPOOL transmission customers on the basis of each customer's Network Load.
18 Network Load is a customer's peak load under the NEPOOL transmission tariff for each
19 month.

1

2

Under the proposed SMD system, congestion costs will be reflected in the congestion

3

component of the locational marginal energy price in each of the eight zones being

4

established throughout NEPOOL. Suppliers of energy in each zone will be responsible

5

for congestion costs.

6

7

Q. Will the Company's cost of procuring its Standard Offer supply change as a result of the

8

new congestion cost allocation method under SMD?

9

A. That depends on the final interpretation of the Company's contracts. The Company

10

believes that it is not responsible for any congestion costs under the proposed SMD

11

system and that it will not pay any additional amounts as a result of the implementation of

12

the system. One of the Company's suppliers claims that the Company is responsible for

13

certain congestion costs and has initiated a formal dispute resolution to resolve this

14

dispute. The Company anticipates having a final ruling on this issue in early-2003.

15

16

Q. Does this conclude your testimony?

17

A. Yes. It does.

Standard Offer Fuel Index Adjustment Provision

In the event of substantial increases in the market prices of No. 6 residual fuel oil (1% sulphur) and natural gas after 1999, NECO will pay additional amounts to Seller in accordance with this Standard Offer Fuel Index Adjustment Provision, which is calculated as follows:

The Stipulated Price that is in effect for a given billing month is multiplied by a "Fuel Index Adjustment" that is set equal to 1.0 and thus has no impact on the rate paid unless the "Market Gas Price" plus "Market Oil Price" for the billing month exceeds the "Fuel Trigger Point" then in effect, where:

The Stipulated Price is the following predetermined, flat rate, for energy consumed at the customer meter point:

<u>Calendar Year</u>	<u>Price per Kilowatt hour</u>
1998	3.2 cents
1999	3.5 cents
2000	3.8 cents
2001	3.8 cents
2002	4.2 cents
2003	4.7 cents
2004	5.1 cents
2005	5.5 cents
2006	5.9 cents
2007	6.3 cents
2008	6.7 cents
2009	7.1 cents

Seller will be paid the difference between the Stipulated Price as adjusted in accordance with this Standard Offer Fuel Adjustment Provision and the Stipulated Price for each kilowatt-hour it provides in the applicable month.

Market Gas Price is the average of the values of "Gas Index" for the most recent available twelve months (six months for Standard Offer load in the EUA Zone), where:

Gas Index is the average of the daily settlement prices for the last three days that the NYMEX Contract (as defined below) for the month of delivery trades as reported in the "Wall Street Journal",

expressed in dollars per MMBtu. NYMEX Contract shall mean the New York Mercantile Exchange Natural Gas Futures Contract as approved by the Commodity Futures Trading Commission for the purchase and sale of natural gas at Henry Hub;

Market Oil Price is the average of the values of "Oil Index" for the most recent available twelve months (six months for Standard Offer load in the EUA Zone), where:

Oil Index is the average for the month of the daily low quotations for cargo delivery of 1.0% sulphur No. 6 residual fuel oil into New York harbor, as reported in "Platt's Oilgram U.S. Marketscan" in dollars per barrel and converted to dollars per MMBtu by dividing by 6.3; and

If the indices referred to above should become obsolete or no longer suitable, NECO shall file alternate indices with the RIPUC.

Fuel Trigger Point is the following amounts, expressed in dollars per MMBtu, applicable for all months in the specified calendar year:

2000	\$5.35/MMBtu
2001	\$5.35
2002	\$6.09
2003	\$7.01
2004	\$7.74
2005 *	\$8.48
2006 *	\$9.22
2007 *	\$9.95
2008 *	\$10.69
2009 *	\$11.42

* For Narragansett Zone only

In the event that the Fuel Trigger Point is exceeded, the Fuel Adjustment value for the billing month is determined based according to the following formula:

$$\text{Fuel Adjustment} = \frac{(\text{Market Gas Price} + \$0.60/\text{MMBtu}) + (\text{Market Oil Price} + \$0.04/\text{MMBtu})}{\text{Fuel Trigger Point} + \$0.60 + \$0.04/\text{MMBtu}}$$

Where:

Market Gas Price, Market Oil Price and Fuel Trigger Point are as defined above. The values of \$.60 and \$.04/MMBtu represent for gas and oil respectively, estimated basis differentials or market costs of transportation from the point where the index is calculated to a proxy power plant in the New England market.

For example if at a point in the year 2002 the Market Gas Price and Market Oil Price total \$6.50 (\$3.50/MMBtu plus \$3.00/MMBtu respectively), the Fuel Trigger Point of 6.09 would be exceeded. In this case the Fuel Adjustment value would be:

$$\frac{(\$3.50 + \$0.60/\text{MMBtu}) + (\$3.00 + \$0.04/\text{MMBtu})}{\$6.09 + \$0.60 + \$0.04/\text{MMBtu}} = 1.0609$$

The Stipulated Price is increased by this Fuel Adjustment factor for the billing month, becoming 4.4548¢/kWh (4.2 x 1.0609).

In subsequent months the same comparisons are made and, if applicable, a Fuel Adjustment determined.

**Gas and Oil Values
used in Company's Analyses
(\$/mmBtu)**

Month	Gas Index	Oil Index
Jan-03	4.344	3.75
Feb-03	4.258	3.70
Mar-03	4.119	3.66
Apr-03	3.951	3.61
May-03	3.909	3.57
Jun-03	3.934	3.52
Jul-03	3.965	3.48
Aug-03	3.979	3.46
Sep-03	3.968	3.41
Oct-03	3.974	3.40
Nov-03	4.148	3.37
Dec-03	4.306	3.33
Jan-04	4.368	3.32
Feb-04	4.328	3.32
Mar-04	4.179	3.32
Apr-04	4.098	3.32
May-04	4.098	3.32
Jun-04	4.098	3.32
Jul-04	4.098	3.32
Aug-04	4.098	3.32
Sep-04	4.098	3.32
Oct-04	4.018	3.32
Nov-04	4.074	3.32
Dec-04	4.252	3.29

**Summary of Additional Payments Estimated to be
Made Pursuant to the Fuel Index Adjustment Provisions
(Cents/kWh)**

Month	Narragansett Zone	EUA Zone
Jan-03	0.000	0.337
Feb-03	0.184	0.456
Mar-03	0.303	0.560
Apr-03	0.336	0.582
May-03	0.360	0.557
Jun-03	0.387	0.500
Jul-03	0.413	0.438
Aug-03	0.439	0.371
Sep-03	0.429	0.318
Oct-03	0.407	0.277
Nov-03	0.381	0.257
Dec-03	0.359	0.261
Jan-04	0.000	0.000
Feb-04	0.000	0.000
Mar-04	0.000	0.000
Apr-04	0.000	0.000
May-04	0.000	0.000
Jun-04	0.000	0.000
Jul-04	0.000	0.000
Aug-04	0.000	0.000
Sep-04	0.000	0.000
Oct-04	0.000	0.000
Nov-04	0.000	0.000
Dec-04	0.000	0.000

DETERMINATION OF MARKET GAS PRICE

(Col. A)	(Col. B)	(Col. C)	(Col. D)	(Col. E)	(Col. F)	(Col. G)	(Col. H)	(Col. I)
Contract Month	Last Month of Trading	Settlement Prices (\$/mmBtu)			Gas Index	NGrid's Market Gas Price	EUA's Market Gas Price	SOS Delivery Month
3rd Last	2nd Last	Last						
Jan-02	Dec-01	\$2.895	\$2.911	\$2.555	\$2.787	\$3.800	\$2.740	Jan-02
Feb-02	Jan-02	\$2.037	\$1.908	\$2.006	\$1.984	\$3.387	\$2.647	Feb-02
Mar-02	Feb-02	\$2.449	\$2.307	\$2.388	\$2.381	\$3.161	\$2.446	Mar-02
Apr-02	Mar-02	\$3.326	\$3.457	\$3.472	\$3.418	\$2.993	\$2.440	Apr-02
May-02	Apr-02	\$3.419	\$3.295	\$3.270	\$3.328	\$2.855	\$2.695	May-02
Jun-02	May-02	\$3.347	\$3.280	\$3.420	\$3.349	\$2.807	\$2.740	Jun-02
Jul-02	Jun-02	\$3.430	\$3.449	\$3.278	\$3.386	\$2.811	\$2.875	Jul-02
Aug-02	Jul-02	\$2.902	\$2.936	\$2.976	\$2.938	\$2.790	\$2.974	Aug-02
Sep-02	Aug-02	\$3.617	\$3.483	\$3.288	\$3.463	\$2.877	\$3.133	Sep-02
Oct-02	Sep-02	\$3.742	\$3.494	\$3.686	\$3.641	\$3.023	\$3.314	Oct-02
Nov-02	Oct-02	\$4.028	\$4.176	\$4.126	\$4.110	\$3.110	\$3.351	Nov-02
Dec-02	Nov-02	\$4.188	\$4.329	\$4.261	\$4.259	\$3.254	\$3.481	Dec-02
Jan-03	Dec-02	\$4.278	\$4.409	\$4.346	\$4.344	\$3.383	\$3.633	Jan-03
Feb-03	Jan-03	\$4.198	\$4.319	\$4.256	\$4.258	\$3.573	\$3.793	Feb-03
Mar-03	Feb-03	\$4.063	\$4.179	\$4.116	\$4.119	\$3.718	\$4.012	Mar-03
Apr-03	Mar-03	\$3.908	\$3.999	\$3.946	\$3.951	\$3.762	\$4.122	Apr-03
May-03	Apr-03	\$3.868	\$3.954	\$3.906	\$3.909	\$3.811	\$4.174	May-03
Jun-03	May-03	\$3.893	\$3.978	\$3.930	\$3.934	\$3.859	\$4.140	Jun-03
Jul-03	Jun-03	\$3.926	\$4.009	\$3.961	\$3.965	\$3.908	\$4.086	Jul-03
Aug-03	Jul-03	\$3.940	\$4.023	\$3.975	\$3.979	\$3.994	\$4.023	Aug-03
Sep-03	Aug-03	\$3.933	\$4.011	\$3.960	\$3.968	\$4.037	\$3.976	Sep-03
Oct-03	Sep-03	\$3.940	\$4.018	\$3.965	\$3.974	\$4.064	\$3.951	Oct-03
Nov-03	Oct-03	\$4.115	\$4.193	\$4.135	\$4.148	\$4.067	\$3.955	Nov-03
Dec-03	Nov-03	\$4.275	\$4.353	\$4.290	\$4.306	\$4.071	\$3.995	Dec-03
Jan-04	Dec-03	\$4.340	\$4.413	\$4.350	\$4.368	\$4.073	\$4.057	Jan-04
Feb-04	Jan-04	\$4.340	\$4.413	\$4.230	\$4.328	\$4.079	\$4.124	Feb-04
Mar-04	Feb-04	\$4.060	\$4.413	\$4.065	\$4.179	\$4.084	\$4.182	Mar-04
Apr-04	Mar-04	\$4.060	\$4.413	\$3.820	\$4.098	\$4.096	\$4.217	Apr-04
May-04	Apr-04	\$4.060	\$4.413	\$3.820	\$4.098	\$4.112	\$4.238	May-04
Jun-04	May-04	\$4.060	\$4.413	\$3.820	\$4.098	\$4.126	\$4.229	Jun-04
Jul-04	Jun-04	\$4.060	\$4.413	\$3.820	\$4.098	\$4.137	\$4.195	Jul-04
Aug-04	Jul-04	\$4.060	\$4.413	\$3.820	\$4.098	\$4.147	\$4.150	Aug-04
Sep-04	Aug-04	\$4.060	\$4.413	\$3.820	\$4.098	\$4.157	\$4.111	Sep-04
Oct-04	Sep-04	\$3.820	\$4.413	\$3.820	\$4.018	\$4.161	\$4.098	Oct-04
Nov-04	Oct-04	\$3.990	\$4.413	\$3.820	\$4.074	\$4.155	\$4.084	Nov-04
Dec-04	Nov-04	\$4.155	\$4.413	\$4.158	\$4.242	\$4.150	\$4.080	Dec-04

Notes:

Col. A - Contract refers to the NYMEX Natural Gas Futures Contract, as approved by the CFTC, for the purchase and sale of natural gas at Henry Hub.

Col. B - Month that trading for the Contract ends (the month before the delivery month)

Col. C - Settlement price for the third last trading day as reported in the Wall Street Journal. (Jan-99 - Nov-02)

- Settlement price as reported in the Wall Street Journal on 28-Oct-02. (Dec-02 Dec-04)

Col. D - Settlement price for the second last trading day as reported in the Wall Street Journal. (Jan-99 - Nov-02)

- Settlement price as reported in the Wall Street Journal on 29-Oct-02. (Dec-02 Dec-04)

Col. E - Settlement price for the last trading day as reported in the Wall Street Journal. (Jan-99 - Nov-02)

- Settlement price as reported in the Wall Street Journal on 30-Oct-02. (Dec-02 Dec-04)

Col. F - Average value of Col. C, Col. D and Col. E (=AVERAGE(Col. C..Col. E))

Col. G - Average of the most recent twelve months of values in Col. F (including current SOS delivery month)

Col. H - Average of the most recent six months of values in Col. F (ending month prior to SOS delivery month)

Col. I - month in which SOS was delivered at wholesale.

DETERMINATION OF MARKET OIL PRICE

(Col. A)	(Col. B)	(Col. C)	(Col. D)	(Col. E)	(Col. F)	(Col. G)	(Col. H)	(Col. I)	(Col. J)	(Col. K)	(Col. L)	(Col. M)	(Col. N)	(Col. O)	(Col. P)	(Col. Q)	(Col. R)	(Col. S)	(Col. T)	(Col. U)	(Col. V)	(Col. W)	(Col. X)	(Col. Y)	(Col. Z)	(Col. AA)	(Col. BB)	(Col. CC)	(Col. DD)	(Col. EE)	(Col. FF)	(Col. GG)	(Col. HH)	(Col. II)	(Col. JJ)	(Col. KK)	(Col. LL)	(Col. MM)
SOS		Daily low quotation, cargo delivery, 1.0%S, No. 6, residual fuel oil, NY Harbor (\$ / barrel)																																				
Delivery Month	Trading Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Sum of Values	# of Values	Conversion Factor	Oil Index (\$/mmBtu)	NGrid's Market Oil Price	EUA's Market Oil Price
Jan-02	Jan-02		17.30	16.85	17.25			17.30	17.00	16.50	16.50	16.10			15.65	15.75	15.75	15.65	15.65			15.65	15.90	15.60	15.15			15.05	14.85	14.40	14.40	334.25	21	6.3	2.53	3.14	2.89	
Feb-02	Feb-02	14.60			14.70	14.45	13.90	14.00	14.25			14.65	14.25	14.90	14.75	14.50				14.25	14.50	14.50	14.60		14.75	15.25	15.75	16.30					278.85	19	6.3	2.33	3.03	2.81
Mar-02	Mar-02	16.75			16.95	17.45	17.85	18.25	18.25			18.65	18.85	18.90	18.90	18.90			19.15	19.50	19.65	20.40	21.00		21.00	21.15	21.75	22.15					385.45	20	6.3	3.06	2.98	2.66
Apr-02	Apr-02	22.75	23.75	23.80	22.90	22.90			23.20	23.20	22.40	21.25	20.10		20.70	21.15	21.75	21.75	21.80			21.75	21.65	21.50	21.45	21.35			22.00	22.00			485.10	22	6.3	3.50	2.97	2.64
May-02	May-02	22.05	21.95	22.25			22.50	23.20	23.90	23.50	23.65			24.60	25.35	24.30	23.80	23.70			23.65	23.00	23.00	22.90	22.90			22.50	22.55	22.35	22.75	510.35	22	6.3	3.68	2.97	2.76	
Jun-02	Jun-02		22.70	22.90	22.90	22.30	22.30				22.40	22.15	22.35	23.00	23.40			23.30	22.50	22.35	22.25	21.65		22.50	22.50	22.50	22.50	22.40					450.85	20	6.3	3.58	3.00	2.95
Jul-02	Jul-02	22.35	22.05	21.75					21.05	21.40	21.15	21.60	21.85		22.00	22.40	22.40	22.75	23.15			22.60	22.60	22.95	22.95				23.00	23.50	24.00	470.10	21	6.3	3.55	3.04	3.11	
Aug-02	Aug-02	24.60	24.75			24.75	25.00	24.90	24.90	25.00			25.00	25.40	25.35	25.40		25.65	25.85	25.85	25.75	25.65		25.75	25.65	25.75	25.35	25.35	24.50	24.85	554.95	22	6.3	4.00	3.11	3.28		
Sep-02	Sep-02			23.25	23.50	23.75	24.00			24.25	24.60	25.75	26.00	26.50		26.50	25.80	26.10	26.25	26.35			27.40	27.70	27.25	27.05	27.40			27.60	517.00	20	6.3	4.10	3.19	3.56		
Oct-02	Oct-02	27.90	27.80	27.40	27.20			26.90	26.50	26.25	25.55	25.55			26.00	26.80	26.80	26.80	27.00			26.50	25.90	25.75	26.25	25.30		24.90	24.60	24.75	25.00	603.40	23	6.3	4.16	3.30	3.74	
Nov-02	Nov-02																															27.92			3.93	3.42	3.85	
Dec-02	Dec-02																															27.07			3.81	3.52	3.89	
Jan-03	Jan-03																															26.68			3.75	3.62	3.93	
Feb-03	Feb-03																															26.32			3.70	3.74	3.96	
Mar-03	Mar-03																															26.01			3.66	3.79	3.91	
Apr-03	Apr-03																															25.69			3.61	3.80	3.83	
May-03	May-03																															25.38			3.57	3.79	3.74	
Jun-03	Jun-03																															25.06			3.52	3.78	3.68	
Jul-03	Jul-03																															24.76			3.48	3.78	3.64	
Aug-03	Aug-03																															24.59			3.46	3.73	3.59	
Sep-03	Sep-03																															24.28			3.41	3.67	3.55	
Oct-03	Oct-03																															24.14			3.40	3.61	3.51	
Nov-03	Nov-03																															23.95			3.37	3.56	3.47	
Dec-03	Dec-03																															23.69			3.33	3.52	3.44	
Jan-04	Jan-04																															23.64			3.32	3.49	3.41	
Feb-04	Feb-04																															23.64			3.32	3.46	3.38	
Mar-04	Mar-04																															23.64			3.32	3.43	3.36	
Apr-04	Apr-04																															23.64			3.32	3.40	3.34	
May-04	May-04																															23.64			3.32	3.38	3.33	
Jun-04	Jun-04																															23.64			3.32	3.37	3.33	
Jul-04	Jul-04																															23.64			3.32	3.35	3.32	
Aug-04	Aug-04																															23.64			3.32	3.34	3.32	
Sep-04	Sep-04																															23.64			3.32	3.33	3.32	
Oct-04	Oct-04																															23.64			3.32	3.33	3.32	
Nov-04	Nov-04																															23.64			3.32	3.32	3.32	
Dec-04	Dec-04																															23.40			3.29	3.32	3.32	

Notes:

Col. A - month in which SOS was delivered at wholesale.

Col. B - month in which oil prices were quoted and delivered.

Col. C - Col. GG - daily prices as quoted by Platt's MarketScan.

Col. HH - sum of values in Col. C through Col. GG. (Jan-99 - Oct-02)

- Oct-02 Final Crude oil contract price as reported in the Wall Street Journal on 23-Sept-02

- average of Crude oil contract prices as reported in the Wall Street Journal on 28-Oct-02, 29-Oct-02 and 30-Oct-02

Col. II - number of non-zero values in Col. C through Col. GG.

Col. JJ - a fixed factor of 6.3 mmBtu per bbl.

Col. KK - Col. HH divided by (Col. II x Col. JJ) (Jan-99 - Oct-02)

- Current month value Col. HH * Oct-02 value in Col KK/ 29.61 (Nov-02 - Dec-04)

- Where 29.61 represents the Oct-02 closing value from the WSJ 23-Sept-02

Col. LL - Average of the most recent twelve months of values in Col. KK (including current SOS delivery month)

Col. MM - Average of the most recent six months of values in Col. KK (ending month prior to SOS delivery month)

DETERMINATION OF FUEL ADJUSTMENT VALUE

(Col. A)	(Col. B)	(Col. C)	(Col. D)	(Col. E)	(Col. F)	(Col. G)	(Col. H)	(Col. I)	(Col. J)	(Col. K)	(Col. L)	(Col. M)
SOS Delivery Month	NGrid's Market Gas Price	NGrid's Market Oil Price	NGrid's Fuel Value	NGrid's Fuel Trigger	NGrid's Adjustment Value	EUA's Market Gas Price	EUA's Market Oil Price	EUA's Fuel Value	EUA's Fuel Trigger	EUA's Adjustment Value	Ngrid Adjustment ¢/kWh	EUA Adjustment ¢/kWh
Jan-02	\$3.80	\$3.14	\$6.94	\$6.09	1.12666	\$2.74	\$2.89	\$5.63	\$6.09	1.00000	0.532	0.000
Feb-02	\$3.39	\$3.03	\$6.42	\$6.09	1.04857	\$2.65	\$2.81	\$5.45	\$6.09	1.00000	0.204	0.000
Mar-02	\$3.16	\$2.98	\$6.14	\$6.09	1.00740	\$2.45	\$2.66	\$5.11	\$6.09	1.00000	0.031	0.000
Apr-02	\$2.99	\$2.97	\$5.96	\$6.09	1.00000	\$2.44	\$2.64	\$5.08	\$6.09	1.00000	0.000	0.000
May-02	\$2.85	\$2.97	\$5.83	\$6.09	1.00000	\$2.70	\$2.76	\$5.45	\$6.09	1.00000	0.000	0.000
Jun-02	\$2.81	\$3.00	\$5.81	\$6.09	1.00000	\$2.74	\$2.95	\$5.69	\$6.09	1.00000	0.000	0.000
Jul-02	\$2.81	\$3.04	\$5.86	\$6.09	1.00000	\$2.87	\$3.11	\$5.99	\$6.09	1.00000	0.000	0.000
Aug-02	\$2.79	\$3.11	\$5.90	\$6.09	1.00000	\$2.97	\$3.28	\$6.26	\$6.09	1.02497	0.000	0.105
Sep-02	\$2.88	\$3.19	\$6.07	\$6.09	1.00000	\$3.13	\$3.56	\$6.70	\$6.09	1.09007	0.000	0.378
Oct-02	\$3.02	\$3.30	\$6.33	\$6.09	1.03493	\$3.31	\$3.74	\$7.05	\$6.09	1.14271	0.147	0.599
Nov-02	\$3.11	\$3.42	\$6.53	\$6.09	1.06528	\$3.35	\$3.85	\$7.20	\$6.09	1.16466	0.274	0.692
Dec-02	\$3.25	\$3.52	\$6.77	\$6.09	1.10150	\$3.48	\$3.89	\$7.37	\$6.09	1.19008	0.426	0.798
Jan-03	\$3.38	\$3.62	\$7.00	\$7.01	1.00000	\$3.63	\$3.93	\$7.56	\$7.01	1.07177	0.000	0.337
Feb-03	\$3.57	\$3.74	\$7.31	\$7.01	1.03906	\$3.79	\$3.96	\$7.75	\$7.01	1.09698	0.184	0.456
Mar-03	\$3.72	\$3.79	\$7.50	\$7.01	1.06451	\$4.01	\$3.91	\$7.92	\$7.01	1.11914	0.303	0.560
Apr-03	\$3.76	\$3.80	\$7.56	\$7.01	1.07155	\$4.12	\$3.83	\$7.96	\$7.01	1.12374	0.336	0.582
May-03	\$3.81	\$3.79	\$7.60	\$7.01	1.07665	\$4.17	\$3.74	\$7.92	\$7.01	1.11850	0.360	0.557
Jun-03	\$3.86	\$3.78	\$7.64	\$7.01	1.08243	\$4.14	\$3.68	\$7.82	\$7.01	1.10633	0.387	0.500
Jul-03	\$3.91	\$3.78	\$7.68	\$7.01	1.08797	\$4.09	\$3.64	\$7.72	\$7.01	1.09310	0.413	0.438
Aug-03	\$3.99	\$3.73	\$7.72	\$7.01	1.09337	\$4.02	\$3.59	\$7.61	\$7.01	1.07897	0.439	0.371
Sep-03	\$4.04	\$3.67	\$7.71	\$7.01	1.09137	\$3.98	\$3.55	\$7.53	\$7.01	1.06759	0.429	0.318
Oct-03	\$4.06	\$3.61	\$7.67	\$7.01	1.08663	\$3.95	\$3.51	\$7.46	\$7.01	1.05901	0.407	0.277
Nov-03	\$4.07	\$3.56	\$7.63	\$7.01	1.08096	\$3.96	\$3.47	\$7.43	\$7.01	1.05477	0.381	0.257
Dec-03	\$4.07	\$3.52	\$7.59	\$7.01	1.07630	\$3.99	\$3.44	\$7.44	\$7.01	1.05559	0.359	0.261
Jan-04	\$4.07	\$3.49	\$7.56	\$7.74	1.00000	\$4.06	\$3.41	\$7.47	\$7.74	1.00000	0.000	0.000
Feb-04	\$4.08	\$3.46	\$7.53	\$7.74	1.00000	\$4.12	\$3.38	\$7.51	\$7.74	1.00000	0.000	0.000
Mar-04	\$4.08	\$3.43	\$7.51	\$7.74	1.00000	\$4.18	\$3.36	\$7.54	\$7.74	1.00000	0.000	0.000
Apr-04	\$4.10	\$3.40	\$7.50	\$7.74	1.00000	\$4.22	\$3.34	\$7.56	\$7.74	1.00000	0.000	0.000
May-04	\$4.11	\$3.38	\$7.50	\$7.74	1.00000	\$4.24	\$3.33	\$7.57	\$7.74	1.00000	0.000	0.000
Jun-04	\$4.13	\$3.37	\$7.49	\$7.74	1.00000	\$4.23	\$3.33	\$7.55	\$7.74	1.00000	0.000	0.000
Jul-04	\$4.14	\$3.35	\$7.49	\$7.74	1.00000	\$4.19	\$3.32	\$7.52	\$7.74	1.00000	0.000	0.000
Aug-04	\$4.15	\$3.34	\$7.49	\$7.74	1.00000	\$4.15	\$3.32	\$7.47	\$7.74	1.00000	0.000	0.000
Sep-04	\$4.16	\$3.33	\$7.49	\$7.74	1.00000	\$4.11	\$3.32	\$7.44	\$7.74	1.00000	0.000	0.000
Oct-04	\$4.16	\$3.33	\$7.49	\$7.74	1.00000	\$4.10	\$3.32	\$7.42	\$7.74	1.00000	0.000	0.000
Nov-04	\$4.15	\$3.32	\$7.48	\$7.74	1.00000	\$4.08	\$3.32	\$7.41	\$7.74	1.00000	0.000	0.000
Dec-04	\$4.15	\$3.32	\$7.47	\$7.74	1.00000	\$4.08	\$3.32	\$7.40	\$7.74	1.00000	0.000	0.000

Notes:

Col. A - month in which SOS was delivered at wholesale
Col. B - Average of the values of Gas Index for the most recent 12 months. (Col. G - Determination of Market Gas Price)
Col. C - Average of the values of Oil Index for the most recent 12 months. (Col. LL - Determination of Market Oil Price)
Col. D - Col. B + Col. C
Col. E - Applicable value from the Standard Offer Supply Contracts.
Col. F - @if(Col. D > Col. E, (Col. B + \$0.60 + Col. C + \$0.04) / (Col. E + \$0.64), 1.000)
Col. G - Average of the values of Gas Index for the most recent 6 months. (Col. H - Determination of Market Gas Price)
Col. H - Average of the values of Oil Index for the most recent 6 months. (Col. I - Determination of Market Oil Price)
Col. I - Col. G + Col. H
Col. J - Applicable value from the Standard Offer Supply Contracts.
Col. K - @if(Col. I > Col. J, (Col. G + \$0.60 + Col. H + \$0.04) / (Col. J + \$0.64), 1.000)
Col. L - (Col. F - 1.0) * Applicable Contract Price from the Standard Offer Supply Contracts.
Col. M - (Col. K - 1.0) * Applicable Contract Price from the Standard Offer Supply Contracts.

THE NARRAGANSETT ELECTRIC COMPANY

RE: Rate Changes for January 1, 2003

Witness: Anne M. Rodrigues

DIRECT TESTIMONY

OF

Anne M. Rodrigues

Table of Contents

Testimony

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Exhibits

AMR-1 Calculation of 2003 Transmission and ISO-NE Expenses

- 1 -

1 **I. Introduction and Qualifications**

2 Q. Please state your name and business address.

3 A. My name is Anne M. Rodrigues. My business address is 25 Research Drive,
4 Westborough, Massachusetts, 01582.

5

6 Q. By whom are you employed and in what capacity?

7 A. I am a Senior Analyst in Transmission Rates and Forecasting for New England
8 Power Company ("NEP"). My responsibilities include preparation of support for
9 NEP's transmission rate filings at the Federal Energy Regulatory Commission
10 ("FERC"), monitoring the New England Power Pool's ("NEPOOL") and ISO
11 New England's ("ISO-NE") Transmission Tariff as a member of the NEPOOL's
12 Transmission Settlement Sub-Committee ("TSS") and NEPOOL's Tariff
13 Committee ("TC"), and involvement with all general transmission pricing policy
14 and regulatory matters.

15

16 Q. Please describe your educational background and training.

17 A. In 1987, I graduated from Roger Williams University with a Bachelor of Science
18 in Accounting. In addition, I graduated from Providence College in 1991 with a
19 Masters in Business Administration. I have also attended a number of seminars
20 and courses in utility ratemaking and cost analysis.

21

22 Q. Please describe your professional background.

- 2 -

1 A. I joined Eastern Utilities Associates in ("EUA") 1986 in the Accounting
2 Department. In 1987, I transferred to the Rate Department where I provided
3 services on both retail and wholesale rates. I worked in the Rate Department until
4 1998 developing cost of service, rate design, and revenue forecasts for the retail
5 and wholesale affiliates of EUA including developing and testifying to Fuel
6 Adjustment Clause filings in Rhode Island and Massachusetts. In 1998, I joined
7 the Transmission Services Department where I was responsible for all
8 transmission rate related and regulatory matters including developing the
9 transmission cost of service for Montaup Electric Company. In 2000, after EUA
10 merged with National Grid USA, I became a Senior Analyst in Transmission
11 Rates and Forecasting.

12

13 **II. Purpose of Testimony**

14 Q. What is the purpose of your testimony?

15 A. My testimony addresses the 2003 estimated transmission and ISO-NE expenses of
16 The Narragansett Electric Company ("Narragansett"). First, I will summarize the
17 rate structure by which Narragansett pays for transmission service. Second, I will
18 address the assumptions used in the development of Narragansett's estimated
19 expenses for 2003.

20

21 **III. Summary of the NEPOOL, ISO-NE, and NEP Rates and Services**

22 Q. Does Narragansett take services under rate schedules approved by the FERC?

- 3 -

1 A. Yes. Effective January 1, 1998, Narragansett began taking transmission services,
2 on behalf of its entire customer base, under two open access transmission tariffs.
3 Specifically, Narragansett takes transmission service under NEP's FERC Electric
4 Tariff No. 9, and NEPOOL's FERC Electric Tariff No. 1. Effective January 1,
5 1999, Narragansett also began taking service under ISO-NE's FERC Electric
6 Tariff No. 1.

7
8 Q. What services are provided to Narragansett under the NEPOOL FERC Electric
9 Tariff No. 1?

10 A. NEPOOL's FERC Electric Tariff No. 1 provides access over New England's
11 looped transmission facilities greater than or equal to 69kV, more commonly
12 known as Pool Transmission Facilities or "PTF". This service is referred to as
13 Regional Network Service ("RNS") and costs are recovered through the NEPOOL
14 RNS Rate. In addition, the NEPOOL Tariff also provides Scheduling and
15 Dispatch Service, Reactive Power and Black Start Services.

16
17 Q. How is the NEPOOL RNS Rate determined?

18 A. NEPOOL's RNS rates are in a period of transition as the POOL moves from zonal
19 transmission rates to a single "postage stamp" rate. This transition applies to PTF
20 transmission facilities in place prior to December 1996 (Pre-97 property).
21 NEPOOL will complete its transition to a single average New England wide
22 transmission rate by 2008. PTF facilities built after January 1, 1997 are charged

- 4 -

1 using a single average New England wide transmission rate (Post-96 property).

2 The NEPOOL RNS rate for Pre-97 and Post-96 property is determined annually
3 based on transmission expenses of each of the transmission providers in New
4 England as calculated in accordance with a formula approved by the FERC.

5
6 Q. Are there any changes in the NEPOOL RNS rate during 2003?

7 A. Yes. The first phase of the Pre-97 NEPOOL RNS Rate transition to the NEPOOL
8 average will be completed as of March 1, 2003. Thereafter, NEP will collect its
9 full PTF revenue requirement from NEPOOL. The second phase of the NEPOOL
10 transition begins as of March 1, 2003 and continues for 5 years. Over that five-
11 year period, each transmission owner's zonal Pre-97 NEPOOL RNS Rate will be
12 adjusted based on the differential of the individual transmission owner's zonal
13 Pre-97 NEPOOL RNS Rate to the average Pre-97 NEPOOL RNS Rate. To the
14 extent, in 2003, that a transmission owner's Pre-97 PTF Rate exceeds 127% of the
15 average or is below 50% of the average (bandwidth), that transmission owner's
16 Pre-97 rate will be held within the bandwidth. To the extent, there are any
17 overcollections/undercollections from a particular zone as a result of the
18 adjustment; this amount is allocated back to the remaining transmission owners in
19 the region. New England Power Company's rate for 2003 is not expected to
20 exceed the bandwidth and therefore we are not forecasting any significant change
21 to NEP's Pre-97 NEPOOL RNS Rate. The bandwidth will shrink each year
22 moving the Pre-97 RNS Rate closer to the average until 2008 when the NEPOOL

- 5 -

1 transition is complete and all PTF costs are recovered on a POOL-Wide average
2 basis.

3

4 Q. How are NEPOOL charges for Black Start, Reactive Power, and Scheduling and
5 Dispatching assessed?

6 A. Total NEPOOL costs for Black Start and Reactive Power Services are assessed to
7 Narragansett each month based on Narragansett's proportionate share of its
8 Network Load to NEPOOL's total load. Scheduling and Dispatching costs are
9 assessed to Narragansett based on a rate of \$0.838/kW-Yr multiplied by
10 Narragansett's total Network Load.

11

12 Q. Does NEPOOL assess any other charges to Narragansett?

13 A. Beginning March 1, 2003, NEPOOL/ISO-NE plans to implement a new allocation
14 method for any costs related to Reliability Must Run ("RMR") service. RMR
15 costs are incurred when the ISO enters into a contract to pay fixed costs to a
16 generator that would otherwise have shut down, to the extent that the generation
17 source was needed to maintain the reliability of the NEPOOL Transmission
18 System. Currently, RMR costs are allocated across the region to all transmission
19 customers and Narragansett is assessed a portion of those costs on the basis of its
20 Network Load. With the implementation of Standard Market Design (SMD) in
21 New England scheduled for March 1, 2003, these costs will only be allocated to
22 the Network Load of the reliability region where there is a need to provide

- 6 -

1 operating reserve requirements to adhere to North American Electric Reliability
2 Council (NERC), Northeast Power Coordinating Council (NPCC) and NEPOOL
3 Reliability criteria. Rhode Island is considered a separate reliability region.
4 Because there is presently no need to provide operating reserve requirements in
5 Rhode Island, I have allocated no RMR costs to Narragansett after February 2003.
6

7 Q. What services are provided to Narragansett under NEP's FERC Electric Tariff
8 No. 9?

9 A. NEP's FERC Electric Tariff No. 9 provides access over NEP's local transmission
10 facilities, which are not considered PTF ("Non-PTF" facilities). NEP also
11 provides metering, transformation and certain ancillary services to Narragansett
12 under Tariff No. 9, to the extent that those ancillary services are needed by
13 Narragansett and are not provided under the NEPOOL Tariff.
14

15 Q. What services are provided to Narragansett under ISO-NE's FERC Electric Tariff
16 No. 1?

17 A. ISO-NE provides three types of services under its FERC Electric Tariff No. 1,
18 Scheduling System Control and Dispatch (ISO Schedule 1), Energy
19 Administration Service (ISO Schedule 2) and Reliability Administration Service
20 (ISO Schedule 3).
21

- 7 -

1 Q. Are there any changes to the services provided to Narragansett under FERC
2 approved ISO-NE Tariff No.1?

3 A. No, there have been no changes to the services provided under ISO's Tariff No. 1.
4 However each year ISO-NE files a revised budget and cost allocation proposal to
5 become effective January 1st each year. The impacts of these annual filings are
6 discussed later in my testimony.

7

8 Q. Are there or have there been any other charges allocated to Narragansett Electric
9 from ISO-NE that are included in transmission expenses?

10 A. Yes. In the past Energy Uplift costs and Congestion costs have been included in
11 Narragansett transmission expenses. The FERC's orders in Dockets EL00-62-043
12 and ER98-3853-012, received in July 2002, have clarified the allocation of
13 Energy Uplift costs, effective July 1, 2001. This FERC order made clear that
14 Narragansett's suppliers are responsible for these charges (at least from July 1,
15 2001), and therefore they are no longer reflected as transmission expenses.
16 Congestion costs have also historically been included as a transmission expense.
17 However with the implementation of the SMD, congestion costs will become part
18 of the commodity price and will no longer be charged to Narragansett as a
19 transmission expense. The implementation of SMD is addressed in more detail in
20 the testimony of Mr. Hager.

21

22

- 8 -

1 **IV. Estimate of Narragansett's Transmission Expenses**

2 Q. Did you estimate Narragansett's transmission and ISO-NE expenses for 2003?

3 A. Yes. Based on my knowledge of the NEP, NEPOOL and ISO-NE billing process,
4 I estimated the total transmission and ISO expenses (including certain ancillary
5 services) for 2003 will be approximately \$38.60 million as shown in Exhibit
6 AMR-1.

7
8 Q. How were the charges to Narragansett Electric under NEP's Tariff 9 determined?

9 A. I used NEP's actual non-PTF expenses for the 12 months ending August 2002,
10 with an increase of \$2.4 million to reflect the additional costs associated with
11 forecasted capital additions anticipated for the rate period. NEP allocates non-
12 PTF expenses to Narragansett's customers on the basis of Network Load, as
13 shown in Exhibit AMR-1, page 1. Transformation, Meter and ancillary services
14 were based on historical costs.

15
16 Q. How were the NEPOOL estimated 2003 RNS transmission charges determined?

17 A. For purposes of estimating Narragansett's NEPOOL RNS Rate, as provided in
18 Exhibit AMR-1, I have used the currently effective NEPOOL rates, adjusted to
19 reflect (1) the NEPOOL transition described earlier in my testimony and (2) an
20 estimated rate increase to the Post-96 RNS Rate to reflect a forecast of capital
21 expenditures for New England that would be included in the annual formula rate
22 update done effective June 1st each year.

- 9 -

1

2 Q. How were the estimates for Black Start, Reactive Power and Load Dispatch
3 charges determined?

4 A. Estimates for Black Start service have been included based on a NEPOOL filing
5 made at FERC in November 2002, which changes the payments to the generators
6 from a formula based rate to \$3.75/kW-yr. I have used the current contracted
7 Black Start kW's of 1,305,000 kW multiplied by \$3.75/kW-yr to estimate the 2003
8 Black Start costs. This estimate of \$4.9 million for the New England region for
9 Black Start service is shown in Exhibit AMR-1, Workpaper, page 3.

10 ISO-NE also bills a capacity cost component of its Reactive Power charge, as
11 approved by FERC. For purposes of this filing, I have estimated this charge at
12 \$9.1 million for the New England region. I estimated the capacity cost
13 component of the Reactive Power by using an annualized eight-month average of
14 the actual costs multiplied by a five percent increase scheduled to take effect
15 January 1, 2003 shown in Exhibit AMR-1, Workpaper, Page 3. The rate is
16 scheduled to change on January 1, 2003 from \$0.95/kVAR-yr to \$1.00/kVAR-yr
17 per FERC Docket ER01-2161. Narragansett is assessed a portion of Black Start
18 and Reactive Power costs based on Narragansett's proportionate share of its
19 Network Load to NEPOOL's total load.

20 Finally, estimates for NEPOOL's Schedule 1, Load Dispatching Expense, have
21 been based on the actual rate currently in effect times the historical NEPOOL load
22 for the 12 month period ending August 2002.

- 10 -

1

2 Q. Does Narragansett's 2003 transmission expenses include an estimate for
3 Congestion Costs?

4 A. Yes. Congestion costs have been estimated through February 28, 2003. For the
5 2003 forecast, I have used historical cost from January and February 2002. At the
6 start of SMD, the congestion costs will become a component of the commodity
7 price. Congestion cost will no longer be assessed to transmission customers on
8 the basis of Network Load. After March 1, 2003, I no longer reflected congestion
9 costs as a transmission expense and excluded these expenses from the 2003
10 forecast.

11

12 Q. Have you included any RMR charges to Narragansett for 2003?

13 A. Yes, I have included RMR charges to Narragansett through February 2003. I
14 have included these expenses because RMR is socialized until the implementation
15 of SMD, when RMR will be charged to the reliability region where the problem
16 exists. The current contracts extend through 2003. The RMR expenses included
17 are the average monthly costs to NEPOOL of the Sithe New Boston unit
18 multiplied by Narragansett's 2001 share of the NEPOOL load. Beginning with
19 the implementation of SMD, Narragansett will no longer be assessed these
20 charges from the Sithe New Boston unit because these charges are not attributable
21 to the Rhode Island reliability region.

22

- 11 -

1 Q. How were the ISO-NE's estimated 2003 tariff charges determined?

2 A. The estimated ISO-NE's charges to Narragansett are based on a revenue
3 requirement as filed each year with FERC. To estimate Narragansett's 2003 ISO-
4 NE charges, I used the ISO-NE's actual charges to Narragansett for the period
5 September 2001 through August 2002 and adjusted that figure by an inflationary
6 factor. The inflationary factor is developed on page 3, of Exhibit AMR-1, and
7 recognizes the increase or decrease in the ISO-NE's revenue requirement from the
8 budget as filed for the period ending December 2002 to the budget as filed for the
9 period ending December 2003. The major increases in the estimates from ISO-NE
10 between 2002 and 2003 are Payroll, Depreciation Expense on 2003 Assets and
11 costs associated with Regional Transmission Organization (RTO) activity.

12

13 Q. Does your estimate of Narragansett's 2003 expenses for transmission service,
14 congestion costs, and ISO-NE related services represent an increase or decrease
15 from the expenses currently in Narragansett's retail rates?

16 A. The estimated 2003 Narragansett transmission and ISO-NE expenses would
17 decrease Narragansett's transmission adjustment factor as show in Exhibit JAL-??
18 of Jeanne A. Lloyd's testimony. The decrease in the transmission adjustment
19 factor attributable to a lower estimate of transmission costs for the 2003 calendar
20 year represents a 0.0% decrease in the transmission costs recovered through
21 transmission rates as approved in Docket No. 3402. The primary reason for the

- 12 -

1 decrease is a reduction in congestion and energy uplift estimates over the prior
2 estimate.

3

4 Q. Does this conclude your testimony?

5 A. Yes.

Narragansett Electric Company
Summary of Estimated Transmission Expenses
For the Year 2003

NEP Charges

1	Non-PTF	\$11,724,153	
2	Other NEP Charges	<u>109,708</u>	
	Sub-Total NEP Charges		\$11,833,861

NEPOOL Charges

3	PTF	\$21,830,259	
4	NEPOOL Sched. & Disp	1,091,280	
5	Reactive Power	593,822	
6	Black Start	318,791	
7	Congestion	937,410	
8	Reliability Must Run	<u>420,000</u>	
	Sub-Total NEPOOL Charges		\$25,191,562

ISO Charges

9	ISO Schedule 1	907,696	
10	ISO Schedule 2	348,699	
11	ISO Schedule 3	288,202	
12	Energy Uplift	<u>0</u>	
			<u>\$1,544,597</u>

13	Total Expenses Flowing Through Current Rates		<u><u>\$38,570,020</u></u>
----	--	--	----------------------------

Line 1: See Page 1 of 3 - Column (2), Line 13
Line 2: See Page 1 of 3 - Column (3 - 6), Line 13
Line 3: See Page 2 of 3 - Column (2), Line 13
Line 4: See Page 2 of 3 - Column (3), Line 13
Line 5: See Page 2 of 3 - Column (7), Line 13
Line 6: See Page 2 of 3 - Column (6), Line 13
Line 7: See Page 2 of 3 - Column (4), Line 13
Line 8: See Page 2 of 3 - Column (5), Line 13
Line 9: See Page 3 of 3 - Column (1), Line 15
Line 10: See Page 3 of 3 - Column (2), Line 17
Line 11: See Page 3 of 3 - Column (3), Line 17
Line 12: See Page 3 of 3 - Column (4), Line 17
Line 13: Sum of Lines 1-12

15-Nov-02

Narragansett Electric Company
Summary of New England Power - Tariff No. 9 Charges
Estimated for the Year 2003

		(1) Non- PTF Load Ratio % Share	(2) Non-PTF Demand Charge	(3) Scheduling & Dispatch	(4) Transformer Surcharge	(5) Meter Surcharge	(6) Total NEP Costs
1	Jan	24.10%	\$943,665	-9,296	1,816	1,178	937,363
2	Feb	23.90%	\$935,833	-1,847	1,816	1,178	936,979
3	Mar	23.95%	\$937,791	-20,741	1,816	1,178	920,044
4	Apr	26.34%	\$1,031,375	479	1,816	1,178	1,034,848
5	May	25.19%	\$986,345	14,446	1,816	1,178	1,003,785
6	Jun	25.90%	\$1,014,146	-7,792	1,816	1,178	1,009,347
7	Jul	25.99%	\$1,017,670	-36,133	1,816	1,178	984,530
8	Aug	26.26%	\$1,028,242	-8,442	1,816	1,178	1,022,794
9	Sep	24.65%	\$965,201	-23,750	1,816	1,178	944,445
10	Oct	24.70%	\$967,158	13,086	1,816	1,178	983,238
11	Nov	24.17%	\$946,406	28,466	1,816	1,178	977,866
12	Dec	24.27%	\$950,321	125,307	1,816	1,178	1,078,622
13	12- Mo Total		\$11,724,153	\$73,783	\$21,792	\$14,133	\$11,833,861

Lines 1-12: Column (1) + (3) Monthly Network Bills for period September 2001 thru August 2002, Column (4) thru (5): August, 2002 Bill

Lines 1-12: Column (2), Workpaper 2 of 3, Line 13 / 12 * Column (1)

Lines 1-12: Column (6), Sum of Column (2) thru (5)

Line 13: Sum of Line 1 - 12

15-Nov-02

Narragansett Electric Company
NEPOOL Tariff No. 1 Charges
Estimated for the Year 2003

		(1) Monthly PTF kW Load	(2) PTF Demand Charge	(3) NEPOOL Sched. & Dispatch	(4) Congestion	(5) Reliability Must Run	(6) Black Start	(7) Reactive Power	(8) Total NEPOOL
1	January	1,166,730	\$1,614,949	\$81,477	\$437,381	\$210,000	\$23,801	\$44,336	\$2,411,944
2	February	1,157,290	1,601,882	80,817	500,029	210,000	23,609	43,977	2,460,314
3	March	1,095,395	1,480,609	76,495	0	0	22,346	41,625	1,621,075
4	April	1,209,247	1,634,499	84,446	0	0	24,669	45,951	1,789,565
5	May	1,143,761	1,545,984	79,873	0	0	23,333	43,463	1,692,653
6	June	1,524,012	2,157,747	106,427	0	0	31,090	57,912	2,353,176
7	July	1,940,522	2,747,456	135,513	0	0	39,587	73,740	2,996,296
8	August	1,706,061	2,415,498	119,140	0	0	34,804	64,830	2,634,272
9	September	1,302,139	1,843,612	90,933	0	0	26,564	49,481	2,010,590
10	October	1,068,638	1,513,013	74,627	0	0	21,800	40,608	1,650,048
11	November	1,094,673	1,549,875	76,445	0	0	22,331	41,598	1,690,249
12	December	1,218,459	1,725,135	85,089	0	0	24,857	46,301	1,881,382
13	12-Mo Total	15,626,927	\$21,830,259	\$1,091,280	\$937,410	\$420,000	\$318,791	\$593,822	\$25,191,562

Line 1-12: Column (1)= NEPOOL Monthly Statement September 2001 - August 2002

Line 1-2: Column (2)= Workpapers, Page 1, Line 3 * Column (1) / 12

Line 3-5: Column (2)= Workpapers, Page 1, Line 6 * Column (1) / 12

Line 6-12: Column (2)= Workpapers, Page 1, Line 13 * Column (1) / 12

Line 1-12: Column (3)= Current Rate of \$0.838/kW-Yr * Column (1) / 12

Line 1-12: Column (4)= ISO Bills January 2002 - February 2002

Line 1-12: Column (5)= ISO Bills January 2002 - August 2002 - Monthly Annualized NEPOOL Average * 5.7% (NECO 2001 share of NEPOOL Load)

Line 1-12: Column (6)= Workpapers, Page 3, Line 8 * Column (1)

Line 1-12: Column (7)= Workpapers, Page 3, Line 4 * Column (1)

Column (8) Sum of Columns (2) - (7)

Line 13: Sum of Lines 1 - 12

15-Nov-02

Narragansett Electric Company
Summary of ISO Charges
Estimated for the Year 2003

	(1) ISO Schedule 1	(2) ISO Schedule 2	(3) ISO Schedule 3	(4) Energy Uplift	(5) Total ISO Charges
1 January	\$56,319	\$4,675	\$4,675	\$0	\$65,669
2 February	\$56,319	\$20,867	\$20,867	\$0	\$98,053
3 March	\$61,046	\$33,809	\$33,809	\$0	\$128,664
4 April	\$62,666	\$19,710	\$19,710	\$0	\$102,086
5 May	\$53,989	\$4,131	\$4,131	\$0	\$62,251
6 June	\$73,158	\$20,644	\$20,644	\$0	\$114,446
7 July	\$79,661	\$24,813	\$24,813	\$0	\$129,287
8 August	\$82,301	\$25,879	\$25,879	\$0	\$134,059
9 September	\$49,364	\$23,052	\$16,924	\$0	\$89,340
10 October	\$41,113	\$1,339	\$9,256	\$0	\$51,708
11 November	\$43,557	\$44,148	\$23,911	\$0	\$111,616
12 December	\$46,884	\$29,063	\$14,343	\$0	\$90,290
13 Sub-Total	\$706,377	\$252,130	\$218,962	\$0	
14 2002 Budget	\$11,682,785	\$34,942,538	\$16,916,832		
15 2003 Budget	\$15,012,406	\$48,325,931	\$22,266,250		
16 % Change	28.50%	38.30%	31.62%		
17 Estimate	\$907,696	\$348,699	\$288,202	\$0	\$1,544,597

Line 1-12: column 1-4 - Monthly ISO Bills - for year ending August 2002

Line 13: Sum of Line 1 through Line 12

Line 14: ISO-NE Proposed Operating Budget (Year 2002)

Line 15: ISO-NE Proposed Operating Budget (Year 2003)

Line 14: Line 15-Line 14 / Line 14

Line 15: Column (1) - (4)=Line 13 + Line 13*Line16, Column (5)= Sum of Columns (1)-(4)

15-Nov-02

Exhibit AMR-1
Workpaper
Page 1 of 3

New England Power Company
PTF Rate Calculation
Non-PTF Revenue Requirement
For the Year 2003

Section I:

Development of PTF Rate:

1	Currently Effective NEP PTF Rate	Pre -97	\$14.09 /KW-YR
2	Currently Effective NEPOOL PTF Rate	Post-96	2.52 /KW-YR
3	Total Regional Network Service Rate through February 28, 2003		\$16.61 /KW-YR

ESTIMATED Rate Effective March 1, 2003 through May 31, 2003:

4	Estimate Change in Rate - NEP PTF Rate	Pre -97	\$13.70 /KW-YR
5	Currently Effective NEPOOL PTF Rate	Post-96	2.52 /KW-YR
6	Total Regional Network Service Rate through May 31, 2003		\$16.22 /KW-YR

ESTIMATED Increase in Rate Effective June 1, 2002:

7	Total ESTIMATED NEPOOL Plant Additions		\$99,300,000
8	* Carrying Charge		15.5%
9	/ 2001 NEPOOL Network Load		19,991,089
10	Additional Estimated NEPOOL Post-96 Rate		0.77
11	Pre-96 Rate		\$13.70 /KW-YR
12	Estimated Post-96 Rate		3.29 /KW-YR
13	Pre-96 and Post-97 Rates in effect June 1, 2003 through March 31, 2004		\$16.99 /KW-YR

Line 1 - 2: NEPOOL Informational Filing dated 7/30/2002

Line 3: Line 1 + Line 2

Line 4: Recalculation of RNS Rate using average rate and change in bandwidth per Schedule 9 NEPOOL Tariff

Line 5: NEPOOL Informational Filing dated 7/30/2002

Line 6: Line 4 + Line 5

Line 7: Total NEPOOL 2002 Capital Additions Estimates as provided by Transmission Owners

Line 8: Average NEPOOL Post-96 Carrying Charge - 2001

Line 9: NEPOOL Informational Filing dated 7/30/2002

Line 10: Line 7 * Line 8 / Line 9

Line 11: Line 4

Line 12: Line 5 + Line 10

Line 13: Line 11 + Line 12

15-Nov-02

Exhibit AMR-1
Workpaper
Page 2 of 3

New England Power Company
PTF Rate Calculation
Non-PTF Revenue Requirement
For the Year 2003

Section II:

11	NEP's Tariff 9 Non-PTF Revenue Requirement (12 mos. Ended 8/31/02)	\$44,609,363
12	Adjustment for Forecasted 2003 Capital Additions	\$2,378,088
13	Estimated 2003 Non-PTF Revenue Requirement	\$46,987,451
	<u>Adjustment for Year End 2003 Capital Additions</u>	
14	Estimated 2003 Non-PTF Transmission Capital Expenditures for Lines	\$4,338,000
15	Est. 2003 Non-PTF Transmission Capital Expenditures for Substations	\$13,865,000
16	Estimated Percentage Transferred to Plant in 2003 for Substations	64%
17	Estimated NEP 2003 Transmission Plant Additions	\$13,211,600
18	Non-PTF Transmission Plant Carrying Charge	18%
19	Adjustment for Forecasted 2003 Capital Additions	\$2,378,088

Section III:

	<u>Transmission Plant Carrying Charge</u>	
20	NEP's Tariff 9 Revenue Requirement	44,609,363
21	Total Revenue Credit (12 Mos. Ended 8/31/02)	131,502,082
22	Total Transmission Integrated Facilities Credit (12 Mos. Ended 8/31/02)	(31,632,689)
23	Sub-Total	<u>144,478,756</u>
24	Total Transmission Plant (as of 8/31/02)	<u>787,635,728</u>
25	Non-PTF Transmission Plant Carrying Charge	18%

Line 11: NEP Tariff 9 Billings
 Line 12: Line 19
 Line 13: Line 11 + Line 12
 Line 14 + 15: Transmission Capital Budget
 Line 16: Engineering Estimate for Substations
 Line 17: Line 14 + (Line 15 * Line 16)
 Line 18: Line 25
 Line 19: Line 17 * Line 18
 Line 20-22: NEP Tariff 9 Billings
 Line 23: Sum of Lines 20-22
 Line 24: NEP Tariff 9 Billing - August 2002
 Line 25: Line 23/Line 24

15-Nov-02

Narragansett Electric Company
Summary of Reactive Power & Black Start Costs
Estimated for the Year 2003

Section I: Development of Reactive Power Estimate

1	Estimated Total NEPOOL Reactive Power Costs	\$9,127,692	
2	2001 NEPOOL Network Load (KW)	19,991,089	
3	Estimated Rate / KW-Yr	\$0.4566	
4	Estimated Rate / KW-Mo	<table><tr><td>\$0.0380</td></tr></table>	\$0.0380
\$0.0380			

Section II: Development of Black Start Costs

5	Estimated Total NEPOOL Black Start Costs	\$4,893,750	
6	2001 NEPOOL Network Load (KW)	19,991,089	
7	Estimated Rate / KW-Yr	\$0.2448	
8	Estimated Rate / KW-Mo	<table border="1"><tr><td>\$0.0204</td></tr></table>	\$0.0204
\$0.0204			

Line 1: Actual 8 Mo Average Annualized * 5% Rate Increase for 2003

Line 2: NEPOOL 2001 12CP Network Loads

Line 3: Line 1/Line 2

Line 4: Line 3 / 12

Line 5: FERC Filing - \$3.75 * Current Contracted Black Start kW (1,305,000)

Line 6: NEPOOL 2001 12CP Network Loads

Line 7: Line 1/Line 2

Line 8: Line 7 / 12

Note: Reactive Power Rate increasing to \$1.00/kVAR-yr in 2003 from \$0.95/kVAR-yr in 2002